






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

2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

-  Address: Global Creative Plaza, No.10 Fuyong Street, Wangjing, Chaoyang District, Beijing
-  Postal code: 100102
-  Email: ir@brgroup.com



About this report

Report description

This report is the fifth ESG report released by Bairong Inc. It adheres to the principles of objectivity, standardization, transparency and comprehensiveness, detailing the specific measures, key practices, highlight cases and key performance of Bairong, Inc. in actively assuming social responsibility and promoting sustainable development in 2024. It aims to respond to the expectations of stakeholders and better fulfill social responsibilities in the future.

Reporting period

The period covered by this report is from January 1, 2024 to December 31, 2024. Some content may extend beyond this time frame to enhance the comparability and foresight of this report.

Reporting scope

This report is based on Bairong Inc. including its subsidiaries and affiliates. Unless otherwise specified, the scope of this report is consistent with the scope of the Company's annual report.

Reference remarks

For the convenience of presentation and reading, "Bairong Inc.", "Bairong", "the Company" and "We" refer to Bairong Inc. and its subsidiaries in this report.

Basis of preparation

This report is compiled in accordance with the GRI Standards issued by Global Reporting Initiative ("GRI") and the Appendix C2 ESG Reporting Guide as set out in the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "HKEX").

Data sources and reliability assurance

All information and data cited in this report are sourced from internal documents of Bairong Inc. or relevant public materials and have been reviewed by the Company's confidentiality review and deliberated by the Board of Directors. The Board of Directors of Bairong Inc. pledges that this report contains no false records, misleading statements or major omissions, and bears joint and several liabilities for the authenticity, accuracy and integrity of this report.

Basic reporting principles

Materiality

Assessment of materiality is used for this report to identify the major ESG issues within the reporting period; the descriptions of important stakeholders and the specific processes of participation by the stakeholders as well as the results obtained have all been properly disclosed in this report.

Quantification

Key performances in environment, society and governance by Bairong Inc. have been fully disclosed, and additional discussion and description of objectives pertinent to the key performances are given to the maximum extent possible in this report.

Balance

This report reflects objective facts, and strives

to report the performance of Bairong Inc. impartially.

Consistency

A consistent disclosure approach is used in this report by applying consistent scales for comparable indicators so as to provide more references for performance disclosure.

Currency

Unless otherwise specified, the monetary amounts included in this report are in RMB.

Report accessibility

The Chinese and English versions of this report can be viewed and downloaded from the HKEX's website (www.hkexnews.hk) and Bairong Inc.'s website (www.brgroup.com).

Feedback on this report

Any comments or suggestions regarding the content of this report or the Company's performance in ESG may be communicated to us via our email at ir@brgroup.com. Any comments and suggestions will help us further improve this report and enhance the Company's ESG performance.



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Statement of the Board of Directors



The Board of Directors of the Company ("the Board of Directors") assumes full responsibility for the Company's environmental, social and governance ("ESG") strategies and reporting. It is responsible for assessing and analyzing the Company's risks related to environmental, social and governance matters, ensuring the establishment of appropriate and effective ESG risk management and internal control systems, fully supervising the implementation of ESG work and regularly reviewing relevant reports. Based on the external economic and social environment and the Company's development strategy, the Company regularly assesses the importance of ESG issues. Through the identification and prioritization of key ESG issues, it monitors its target commitments and actual performance to ensure the integration of ESG philosophies with the Company's strategy. The Company has established an ESG working group composed of key personnel from the Strategic Investment Department, HR Department, Administration Department, Finance Department and Legal Affairs Department. The ESG working group reports to the Company's Board of Directors and senior management to assist in evaluating and organizing the Company's ESG management system, supervising the achievement of corporate strategic goals and enhancing the Company's ESG performance. The Company has established an ESG performance indicator system based on its business operation characteristics, setting control targets for the environmental dimension. The progress of ESG-related indicators is reviewed by the Board of Directors along with this report. This report provides a detailed disclosure of the progress and achievements of Bairong Inc.'s ESG work in 2024. The Board of Directors and all directors of the Company pledge that this report contains no false records, misleading statements or major omissions, and bear joint and several liabilities for the authenticity, accuracy and integrity of this report. In the future, the Company will continue to adjust its ESG management strategies and implementation methods based on stakeholder expectations and operational realities, continuously improving the Company's ESG management level and performance.



Address by Chairman

Founder, Chairman and CEO of Bairong Inc.
Zhang Shaofeng



In 2024, Bairong Inc. is sailing forward with innovation as its sail and wisdom as its oar, riding the surging waves of AI development. In this year, we have taken AI technology as the core driving force, continuously deepened digital - intelligent transformation and firmly practiced the concept of green and sustainable development.

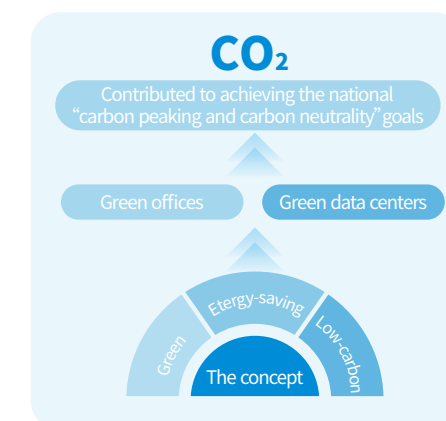
AI leads, forging core competitiveness.

Over the past year, our exploration and practice in the field of AI have yielded fruitful results. AI technology and product innovations have emerged continuously. The Cybotstar intelligent platform and digital humans have enriched AI application scenarios. The successful implementation of self-developed large models in green finance and wealth management has set a new benchmark for the industry. Our AI intelligent voice robots and algorithm-driven intelligent marketing platforms have worked in perfect harmony, helping customers significantly improve service accuracy and operational efficiency. These innovations not only demonstrate our profound strength in technology research and development but also reflect our deep insight and precise grasp of customer needs.

Our technical team's continuous development in cutting-edge fields such as big data, AI and cloud computing has provided a strong impetus for the innovation of products and services. In the rapidly changing market, we have always been deeply convinced that continuous technology innovation and product upgrading are the key to staying ahead. Through continuous technological investment, our AI-related invention patents have grown rapidly, maintaining strong competitiveness in the increasingly fierce AI wave.

Green responsibility, practicing sustainable development.

As a responsible enterprise, we have always integrated social responsibility into our development strategy. Over the past year, embracing the concept of "green, energy-saving, and low-carbon", we actively conducted climate change assessments, starting from green offices and green data centers, to reduce the Company's environmental impact. At the same time, through digital empowerment, we have promoted the operational transformation of financial institutions, helped the green industry solve financing difficulties and contributed to achieving the national "carbon peaking and carbon neutrality" goals.



Embrace change and move towards a smart future together

Looking forward to the future, we will continue to deepen the digital and intelligent transformation and invest in the digital and intelligent transformation of finance with innovative thinking and products. We will further increase R&D investments in the AI field, continuously improve the application level of AI technology and provide more intelligent and personalized solutions for customers. We will also actively expand our business horizons, explore new market opportunities and achieve diversified business development.



We are always deeply convinced that through continuous efforts and unremitting pursuit, we will build a more intelligent, green and harmonious future and realize the vision of sustainable development. Bairong Inc. will embrace partners with a more open attitude, invest in the digital and intelligent transformation with more innovative thinking and products. We will also drive ESG practices with a more responsible philosophy and support the high-quality development of the digital economy with cutting-edge technological advantages. With these initiatives, we will strive to become a one-stop enabler digital and intelligent transformation.

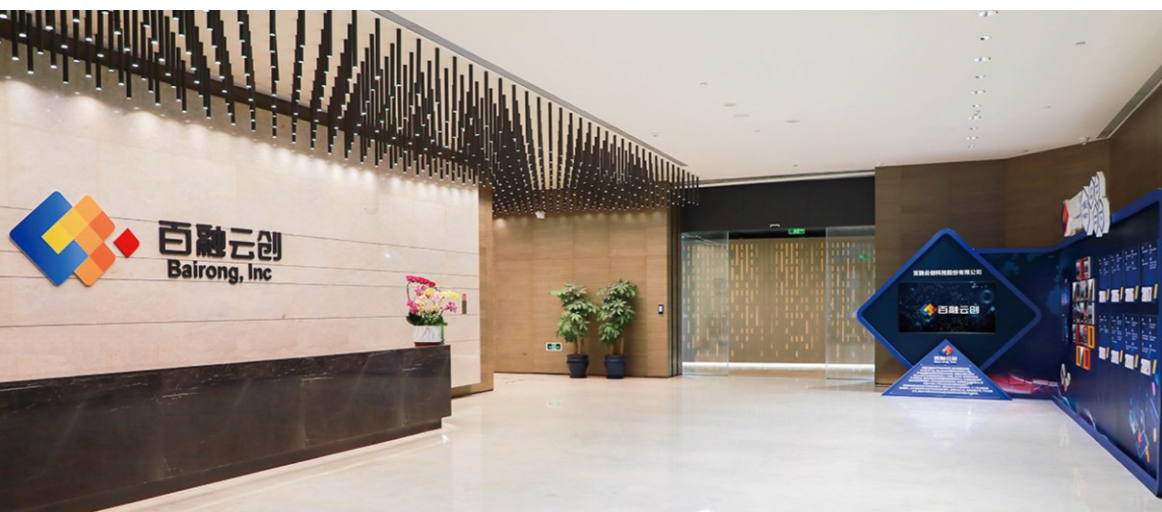
In the tide of the AI era, Bairong Inc. will forge ahead, with innovation as the pen and wisdom as the ink, to write our glorious chapter. Let us work together and move towards a smart future!

About us



Company overview

Bairong Inc. is a leading artificial intelligence (AI) technology service company. The Company embraces integrity, responsibility, practicability, collaboration, openness and innovation, applying technologies such as large language models, natural language processing (NLP), deep machine learning, privacy computing and cloud computing, providing services through the Model as a Service (MaaS) and Business as a Service (BaaS) models and striving to become a one-stop AI technology leader and enabler of the digital economy. In the Company's MaaS, decision-making AI is used to digitize the process of "Know Your Client" (KYC) and "Know Your Product" (KYP) of commercial organizations by analyzing users' risks, needs and qualifications. In BaaS, decision-making AI are used firstly to analyze users and automatically stratifies and groups users, and intelligent robots based on generative AI is used to communicate with users. The human natural language is used during communications to assist users to complete business transactions. The products and services provided by the Company are mainly used in multiple industries such as banking, consumer finance, insurance, e-commerce, automobile, logistics, ticketing, energy and construction.



Key performance indicators

• Economic benefits

Revenue RMB

2.929 billion

Gross profit RMB

2.142 billion

Net profit RMB

0.376 billion

Net profit margin

13%

• MaaS business situation

(anchor business ensuring cash flow)

MaaS business revenue RMB

0.932 billion

Number of core customers

211

Average revenue per core customer RMB

3.37 million

Customer satisfaction

97%

• BaaS business situation

(second growth curve leading the future)

BaaS financial industry revenue RMB

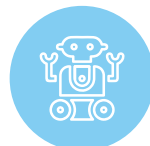
1.411 billion

BaaS insurance industry revenue RMB

0.586 billion



Company culture



Vision

Become a leader in the digital economy



Mission

Benefit thousands of industries and households with intelligence



Values

Faithful, accountable, practical, cooperative, open-minded and innovative



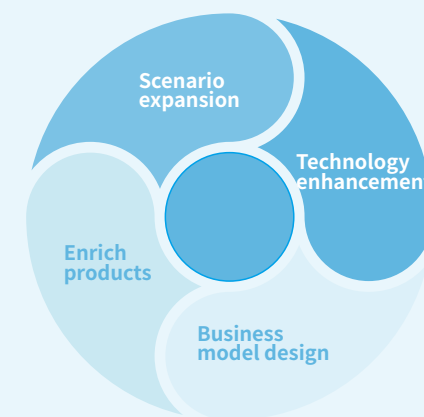
Brand proposition

Accelerate and leap into the intelligent era



Long-term strategy

Focus on science and technology, one vertical and one horizontal planning, flywheel effect

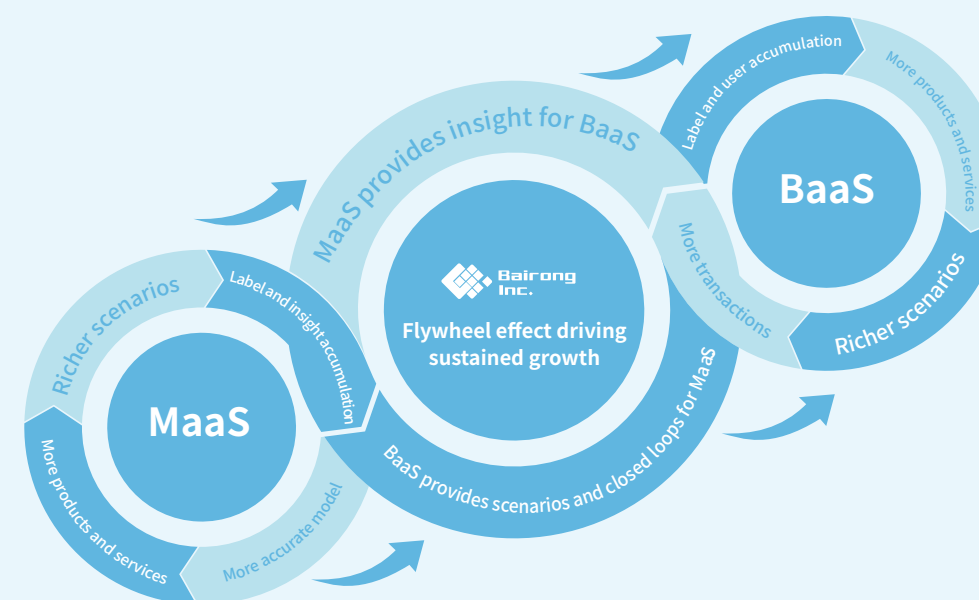


MaaS

- Continue to expand the leading advantages of existing products
- Strengthen the investment and development of high value-added products
- Actively explore new products

BaaS

- Continue to expand the operation of generative AI and the service scale
- Continue to hone and accumulate the ability of “wealth + AI” and “insurance + AI”



Development history



2016

- January**
Certified as a Level III institution in the National Multi-level Information Security Protection System
- September**
Became a member of National Internet Finance Association of China
- December**
Granted the title of "National High-tech Enterprise"

2014

- March**
The Company was founded and invited to set up operations in Shijingshan Finance Industry Base
- December**
Approved and granted the Registration Certificate of Commercial Credit Reporting Agencies issued by the People's Bank of China

2017

- June**
Entered into a strategic cooperation agreement with State Information Center
- September**
Granted the Certificate of Internet Plus Key Credit Certification Enterprises

2018

- May**
Established a research center in cooperation with PBCSF Tsinghua University
- September**
Passed CMMI3 certification
- October**
Selected into the "List of 27 First Batch Comprehensive Credit Service Pilot Institutions" by National Development and Reform Commission

2019

- February**
Granted the title of "Zhongguancun High-tech Enterprise"
- April**
Elected as the Vice President of China Association of Small and Medium Enterprises
- June**
Become a committee member of the Special Committee of Technical Risk Control, Beijing Internet Finance Industry Association
- July**
Selected as the 2019 Beijing Credit Joint Decision-making and Consulting Agency
- September**
Passed quality management system certification, and information security management system certification

2020

- May**
Won the Operational Innovation Outstanding Solution Award given by China Banking Association
- June**
Become a committee member of the Beijing Internet Finance Industry Association
- September**
Obtained the industry's first ISO 27701 Privacy Information Management System certification

2021

- January**
Rated as Honest Enterprise in Beijing for three consecutive years
- March**
Listed on the Main Board of HKEX
- April**
Became a member of Payment and Clearing Association of China
- May**
Became one of the first batch members of "Zhuoxin Big Data" plan by China Academy of Information and Communications Technology (CAICT), Ministry of Industry and Information Technology of the People's Republic of China
- July**
Awarded the title of "AAA Credit-Rating Enterprise of Beijing" for four consecutive years

2022

- January**
Became a member of Privacy-preserving Computing Alliance, CAICT
- January**
Obtained the Huawei Cloud certificate
- February**
Became a member of Beijing Communication Industry Association
- November**
Obtained Information Technology - Service Management System certification and Business Continuity Management System certification
- December**
Obtained the certificate of robust level of Data Management Capability Maturity (DCMM) Assessment Model (Level 3)
- December**
Granted the title of "National High-tech Enterprise" for three consecutive years

2023

- January**
Selected as one of the top 100 Chinese Internet enterprises with comprehensive strength
- February**
Granted the title of "Zhongguancun High-tech Enterprise"
- March**
Became a member of Internet Society of China
- April**
Rated as Honesty Creation Enterprise in Beijing
- April**
Became an outstanding contributor to rural revitalization
- September**
Selected as one of the top 100 Beijing Private Enterprises in Scientific and Technological Innovation
- December**
Rated as Software Enterprise in Beijing with Core Competitiveness

2024

- March**
Selected as one of the top 100 Chinese Internet enterprises with comprehensive strength
- March**
Awarded the capital civilized organization
- April**
Granted the title of "Zhongguancun High-tech Enterprise"
- April**
Rated as Honesty Creation Enterprise in Beijing
- May**
Awarded the title of "AAA Credit-Rating Enterprise of Beijing" for seven consecutive years
- June**
Green finance project selected as an excellent case by the Ministry of Industry and Information Technology
- July**
"Corporate governance" rating ranks first in the MSCI rating industry.

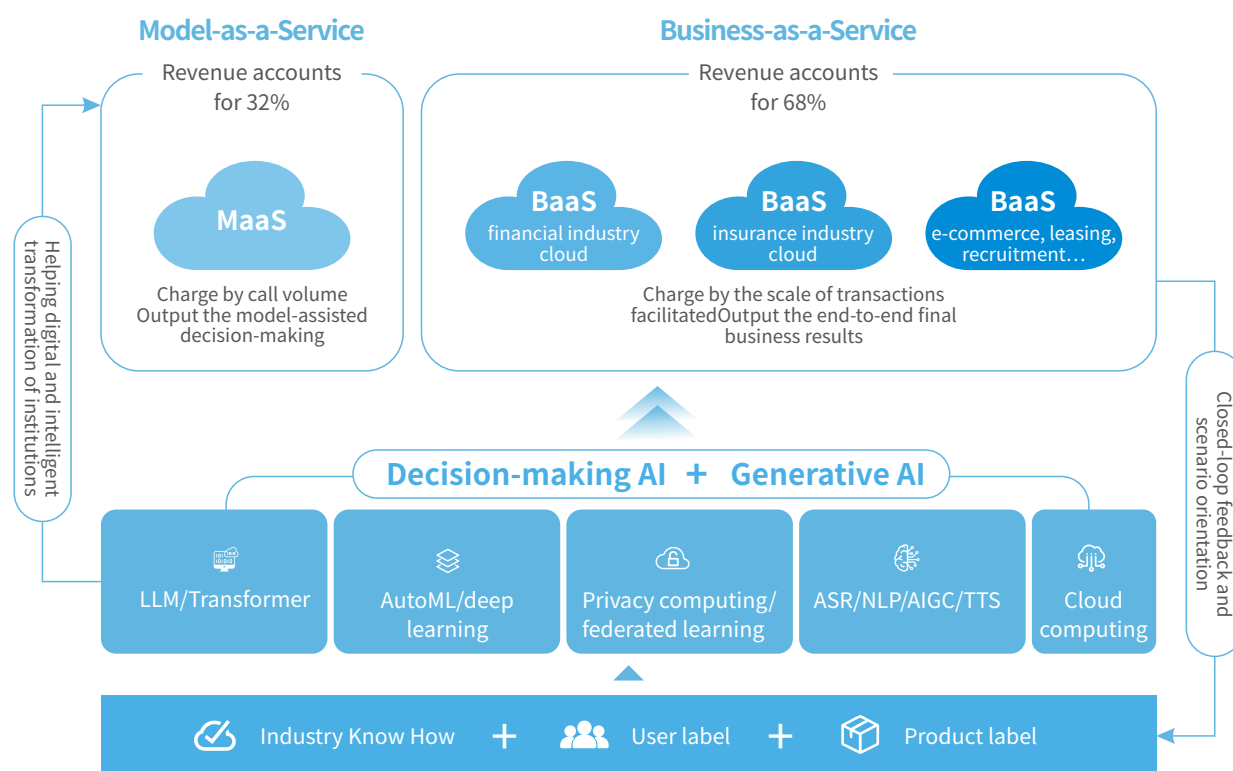


Business overview

As an AI cloud service provider, the Company has developed cutting-edge technologies such as NLP, privacy computing, machine learning and cloud computing, created two complementary AI technical solutions, namely decision-making AI and generative AI, and proposed the promotion of the universal development of AI in vertical industries through a service model of MaaS (Model as a Service) + BaaS (Business as a Service).

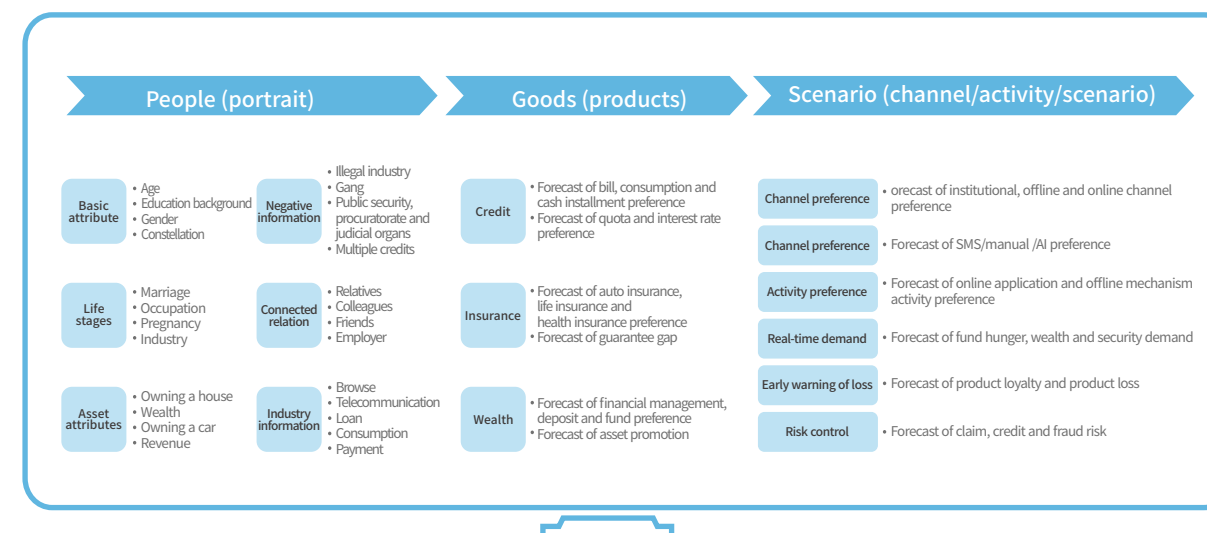
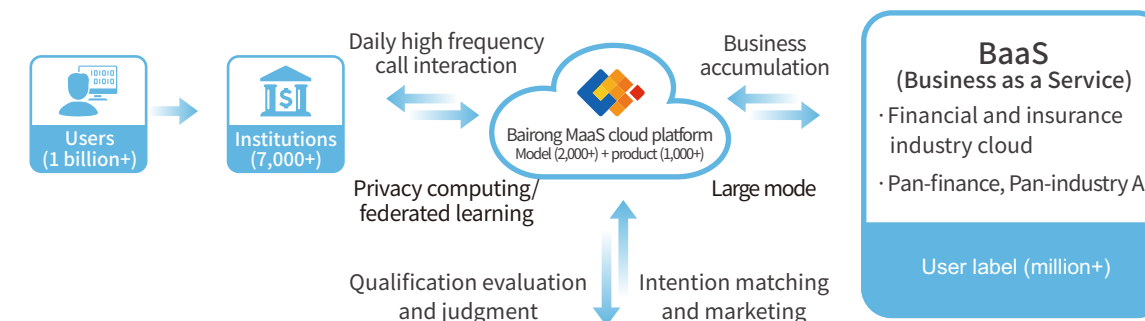
Business overview

The crucial business guarantees cash flow, and the second growth curve leads the future.



MaaS business introduction

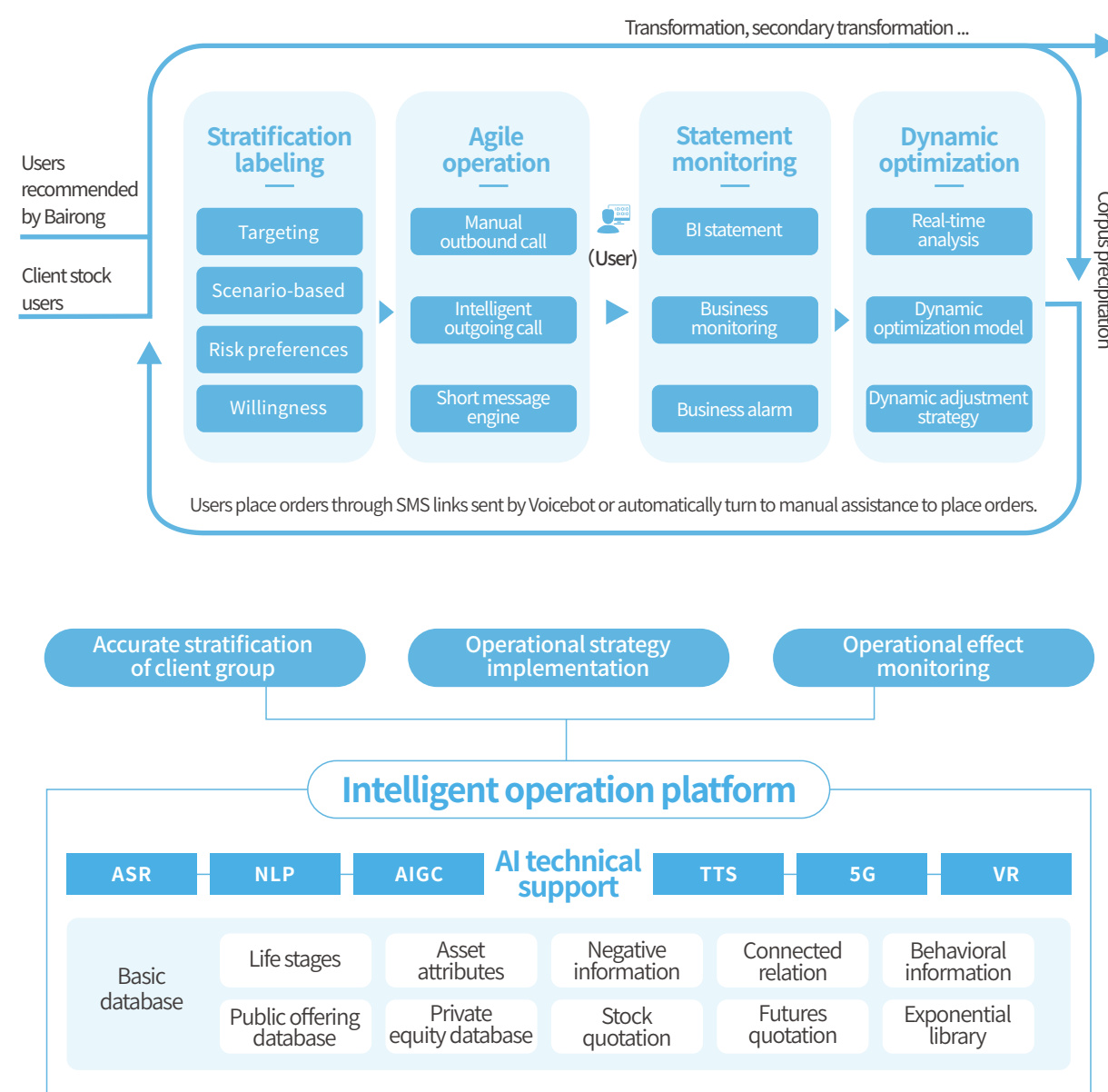
Standardized modeling products and solutions, digital and intelligent decision-making of gain institutions



- ✓ The self-built cloud architecture is safe and reliable, and its stability reaches **99.999%**
- ✓ The customer stickiness is strong, and the annual core customer retention rate is as high as **97%**^①.
- ✓ The daily average call volume exceeds 300 million times, and the feedback can be carried out within milliseconds
- ✓ The quality of customers is high, and the annual core customer ARPU reaches RMB **3.37 million**^①.

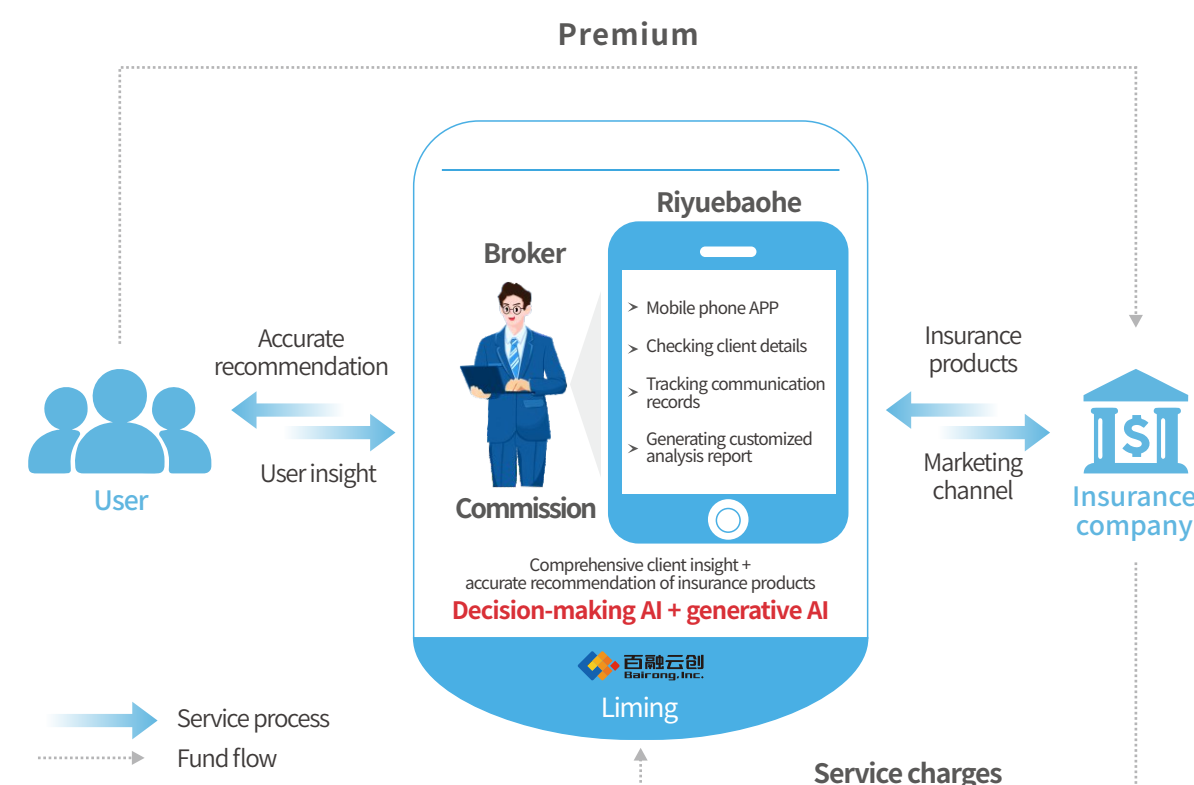
BaaS financial industry cloud

Business introduction : AIGC facilitates transactions and forms a business closed loop end to end



BaaS insurance industry cloud

Business introduction : AI-assisted + professional elite brokerage service



- ✓ In 2024, the premium scale exceeded RMB **5 billion**, with a year-on-year increase of **63%**
- ✓ The renewal rate of life insurance products exceeds **90%**
- ✓ The broker efficiency is much higher than the average efficiency of the industry

Honors and achievements

Honor

- High-growth enterprise in Shijingshan District, Beijing
- One of the top 100 Chinese Internet enterprises with comprehensive strength
- One of 2024 top 100 fintech competitiveness enterprises
- Outstanding contribution organization of Beijing Red Cross Society
- 2024 fourth financial technology innovation application case
- Key Internet Party building enterprise in Beijing
- Outstanding organization for glorious public welfare contributions in Shijingshan District, Beijing
- Outstanding organization for contributions to ideal and belief education in Shijingshan District, Beijing
- Certificate of appreciation awarded by Licheng County, Shanxi Province, a Revolutionary Base Area

Prize issuer

- People's Government of Shijingshan District, Beijing
- Internet Society of China
- Zhongguancun Internet Finance Institute
- Beijing Red Cross Society
- Zhongguancun Internet Finance Institute
- Beijing Municipal Committee of Internet Enterprise Work
- Federation of Industry and Commerce of Shijingshan District, Beijing
- Federation of Industry and Commerce of Shijingshan District, Beijing
- Red Cross Society of Licheng County

- Certificate of Occupational Health and Safety Management System
- Certificate of Environmental Management System
- Information Technology Service Management System Certificate
- Business Continuity Management System Certificate
- Quality management system certification, and information security management system certification
- Certificate of privacy information management system certification
- Individual Information Security Management System Certificate






ESG management

ESG governance philosophy

Bairong Inc. integrates social responsibility into daily operations, products and services, creating long-term value for all stakeholders through technological innovation and actively incorporating ESG (Environmental, Social and Governance) principles into the Company's development strategy, major decisions and daily operations. While accelerating global expansion, the Company pays close attention to global sustainability issues, aligning with its business characteristics and recent focus areas to achieve long-term, balanced and high-quality sustainable development goals. The Company has identified sustainability-related matters that significantly impact the economy, society and environment, along with measures and actions taken to monitor, prevent, manage, control and mitigate these impacts, as detailed in the relevant sections of the main text.



Item	Anticipated risks or opportunities	Measures
 Technology innovation	<p>Due to technical difficulty, barriers and maturity, there is a risk of not achieving expected goals.</p> <p>Technological innovation enhances market competitiveness.</p>	<p>Increase technological innovation efforts through measures such as increased innovation investment, incentive systems, cultivation of research talent and industry-academia collaboration.</p>
 Information security	<p>Information leakage may lead to increased compliance risks, ultimately resulting in lawsuits, fines, etc.</p>	<p>Enhance the Company's security prevention and control capabilities through processes, mechanisms, tools and training, continuously strengthening network security management.</p>
 Compliance management	<p>Regulatory policy changes may lead to increased compliance risks, ultimately resulting in lawsuits, fines, etc.</p>	<p>Establish and improve the compliance management system, conduct compliance training and reviews regularly and ensure compliance with the latest regulatory requirements.</p>
 Information disclosure	<p>As ESG disclosure requirements increase, insufficient or inaccurate disclosure of ESG information may lead to a decline in a Company's ESG rating.</p>	<p>Continue to benchmark against outstanding domestic and international companies, improve ESG information disclosure and routine communication mechanisms and improve the quality of information disclosure.</p>
Combat climate change	Please see the chapter on active combat with climate change for details.	

ESG governance architecture

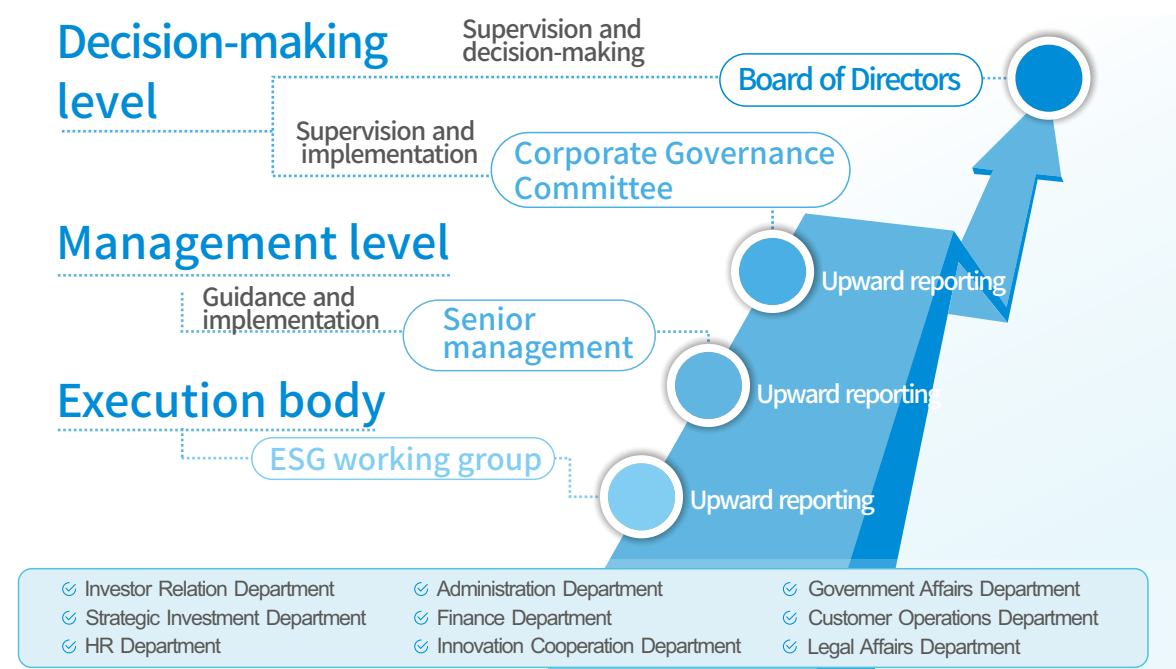
The Company has established a top-down ESG governance architecture, forming an ESG governance system jointly led by the Board of Directors, Corporate Governance Committee, senior management and ESG working group to ensure the efficient advancement of ESG work.

The Board of Directors, as the ESG top-level decision-making organ of the Company, develops ESG strategic planning and system-based policies to ensure the effective implementation of relevant policies, and is also fully liable for the disclosure of relevant policies, systems and related information.

The Corporate Governance Committee is responsible for identifying ESG matters related to the Company's operations, formulating and reviewing the Company's ESG responsibilities, vision, strategy, structure, principles and policies, reporting and making recommendations to the Board of Directors, and assisting the Board of Directors in identifying and assessing the Company's ESG-related risks and opportunities.

Senior management formulates overall plans and provides coordination for ESG activities, executes the various decisions and policies formed by the Board of Directors on ESG activities, constantly improves ESG management system and supervises the specific execution of ESG activities.

The ESG working group, as the actual execution body, consists of management from various departments of the Company. It incorporates the ESG activities into the routine departmental business management and operations, carries out ESG information collection, reporting and review on a regular basis, improves the statistical control efficiency and ESG activity performances to provide extensive support in the efficient execution and implementation of ESG activities.



ESG honors



1. ESG governance is recognized by MSCI: The Company's corporate governance ranks first in the industry

In 2024, in the latest ESG rating report released by international index agency - Morgan Stanley Capital International (MSCI), Bairong Inc. continued its previous high-quality performance and received a "BB" rating, with particularly outstanding performance in the "overall governance evaluation", ranking first in the industry with a score of 6.8. In addition, ESG performance is recognized by many rating agencies, including S&P ESG score of 33, Morningstar ESG risk rating score of 25.2, and wind ESG rating of BBB.



2

Won the "ESG Information Disclosure Excellence Enterprise" Award from Gelonghui



3

Won the "ESG Financial Innovation Award" of Green Waters and Green Mountains Award of Finance Associated Press



4







Won the "2024 ESG Excellent Enterprise" of Golden Cicada Award of the China Times

Stakeholder communication

In order to deepen interactions with its stakeholders, the Company has released social responsibility/ESG reports every year since 2020, disclosing the performance of economic, environmental and social responsibilities of the Company to the public in a comprehensive way. At the same time, the Company strengthens interactions with stakeholders through performance briefings, various research activities, and diverse channels such as the Company's official website, WeChat official account and Email.



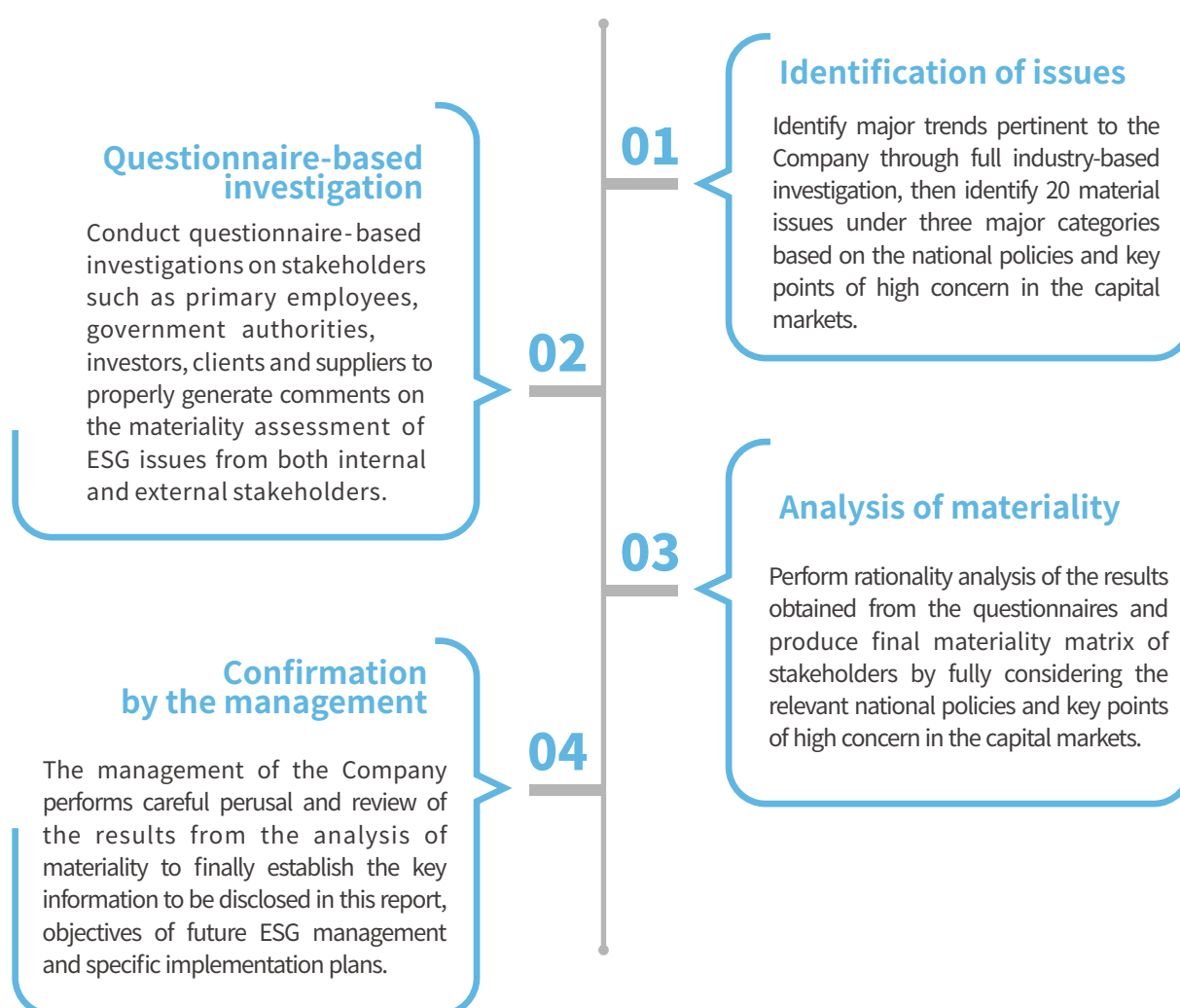
The Company stresses interactions with its stakeholders and has established a mechanism for regular interactions with them to timely identify high-concern ESG issues by the stakeholders and then provide efficient responses to them. During the year, the communication between the Company and the stakeholders is mainly as follows:

Stakeholder	Expectations	Communication mechanism
 Government bodies and supervisory authorities	<ul style="list-style-type: none"> Faithful and compliance management Tax payment according to laws Optimizing governance structure 	<ul style="list-style-type: none"> Communication meeting with government bodies Information disclosure and submission Exchange with supervisory authorities Regular visit
 Shareholders	<ul style="list-style-type: none"> Steady growth in performance Creating excellent performance Faithful and compliance management 	<ul style="list-style-type: none"> Annual reports, interim reports and announcements of the Company General meetings Research by investors Interaction and question-answering on interactive platform
 Customer	<ul style="list-style-type: none"> Product technology innovation Protection of information security Providing high-quality service Faithful and compliance management 	<ul style="list-style-type: none"> Routine communication and question-answering Customer satisfaction survey Customer service hot line
 Employee	<ul style="list-style-type: none"> Protection of rights and interests of employees Boosting career development Caring for occupational health Improvement of remuneration and welfare 	<ul style="list-style-type: none"> All-employee meeting Complaint and feedback box Employee satisfaction survey Cultural activities for employees
 Environment	<ul style="list-style-type: none"> Deepening energy conservation and emissions reduction Practice of green business concept Resource recycling 	<ul style="list-style-type: none"> Collection and disclosure of environmental performance Publicity of environmental protection philosophy
 Supplier	<ul style="list-style-type: none"> Cooperation of honesty and integrity Long-term sound management Fair trade 	<ul style="list-style-type: none"> Benchmark against review and evaluation standards Routine communication Advocating green supply

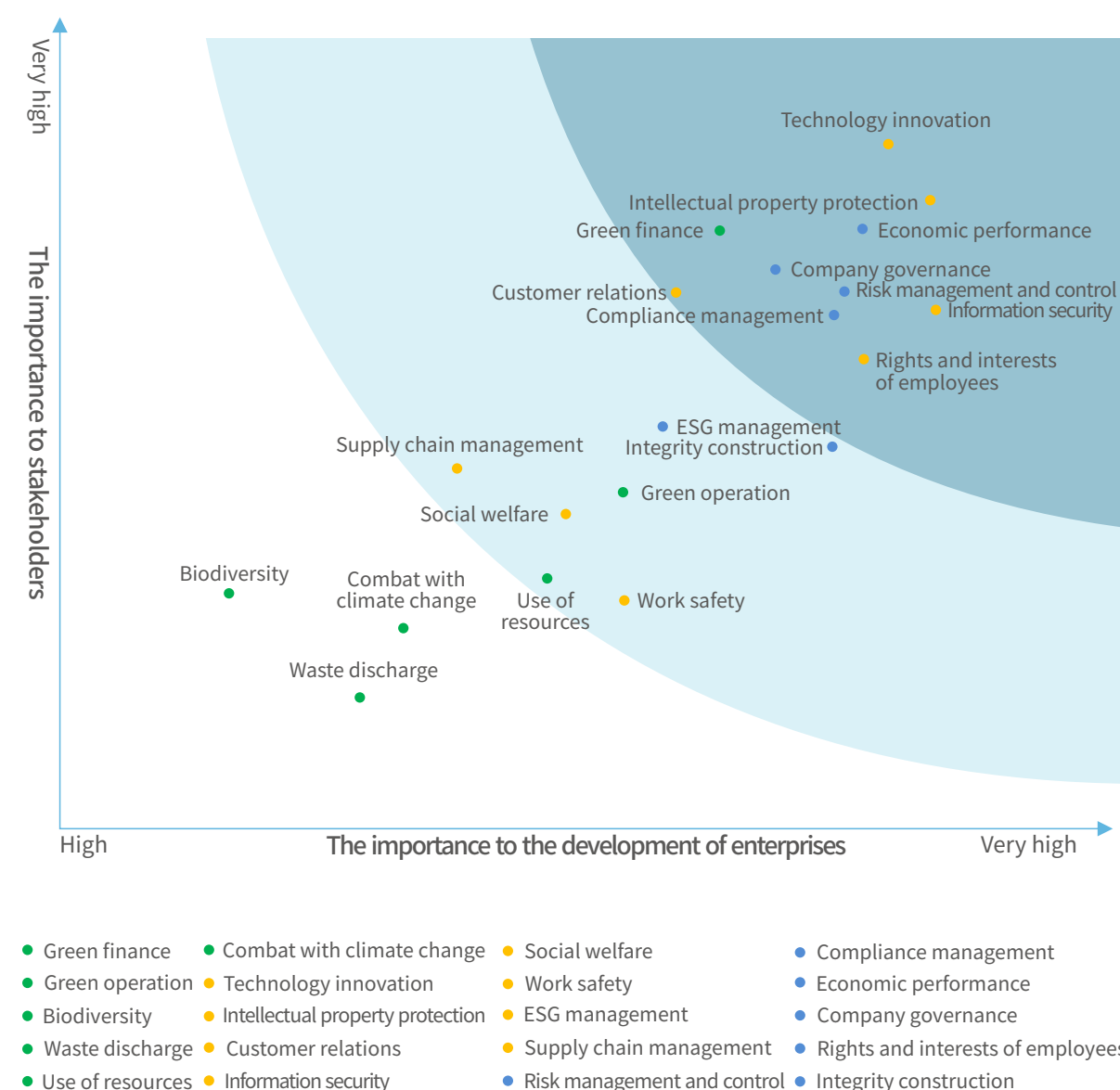
Analysis of substantive issues

Bairong Inc. carries out close interactions with the stakeholders in its routine operations as directed by the principles of substantiveness, full coverage and proper balancing to comprehensively collect and analyze the priorities and requirements from the stakeholders. The Company identifies and updates the key ESG issues periodically by fully considering the national policies, key points of high concern in the capital market and ESG related principles and guidelines.

In 2024, the process for establishing substantive issues of Bairong Inc. is described below:



In 2024, the matrix for establishing substantive issues of Bairong Inc. is as shown in the figure below:



With references to the results obtained from this particular assessment of material issues, we use the results from assessment of ESG issues as a guide for the performance of future work in our routine operations so that constant improvements can be accomplished to better respond to the expectations of stakeholders, increase confidence and subsequent cooperation and advance the sustainable development of both the Company and society.

SECTION 1

- Efficient governance to consolidate the foundation for development

01

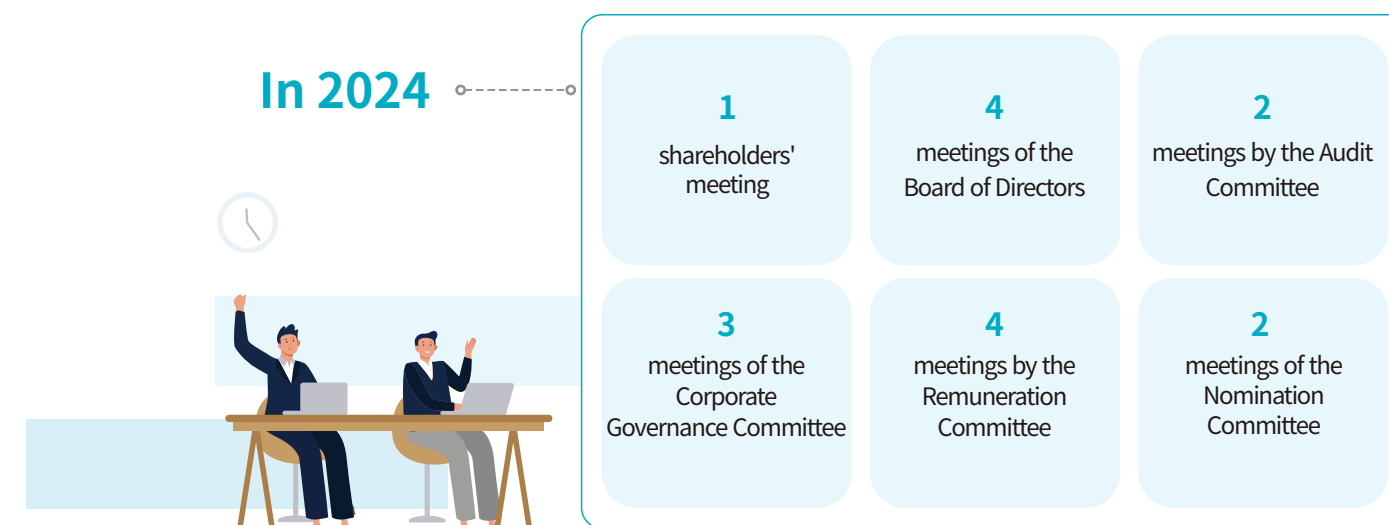
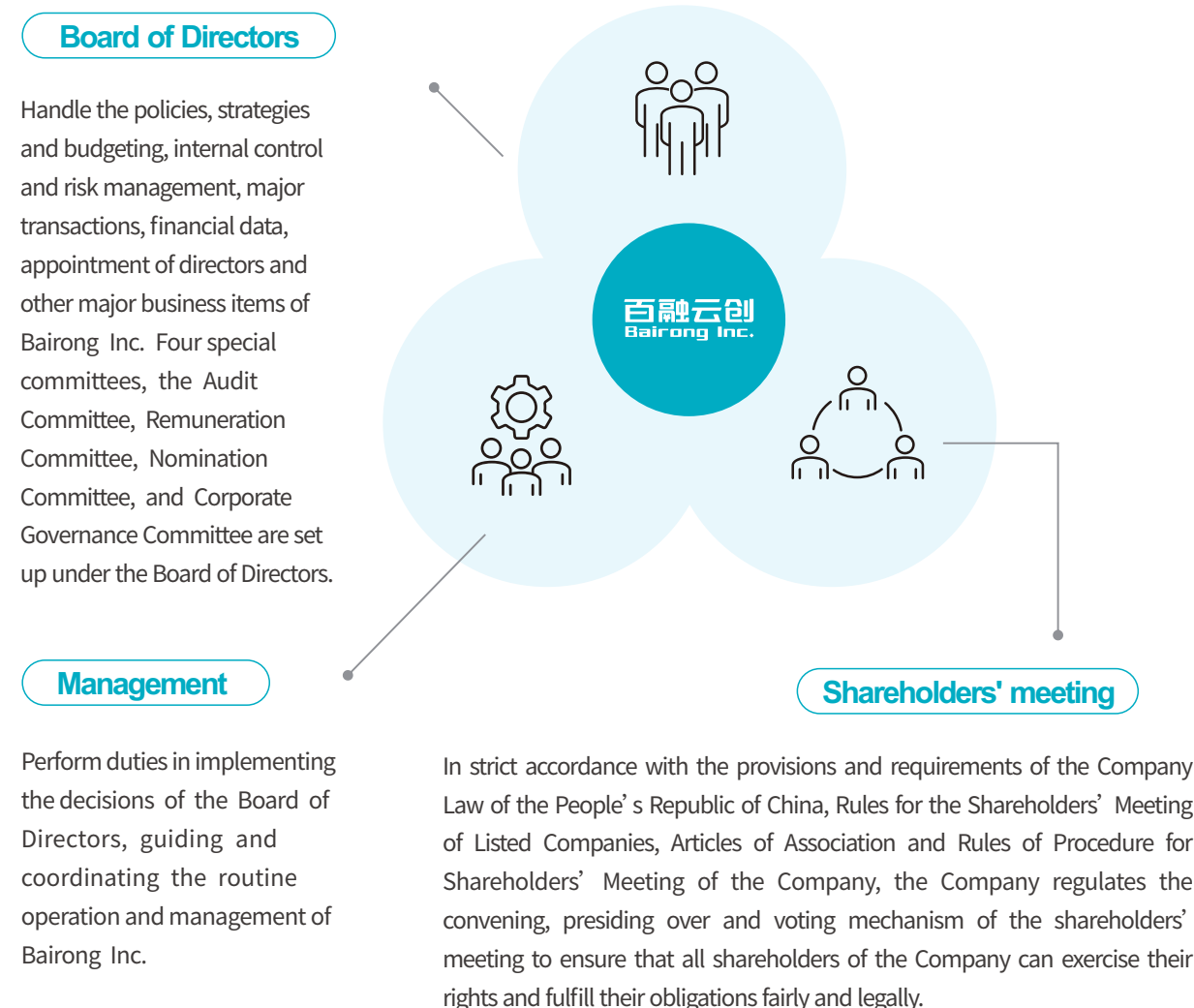


Improvement of governance structure	31
Legal compliance and stable operation	34
Strengthening the defense line of business ethics	37
Open and transparent protection of rights and interests	39

Improvement of governance structure

Governance architecture

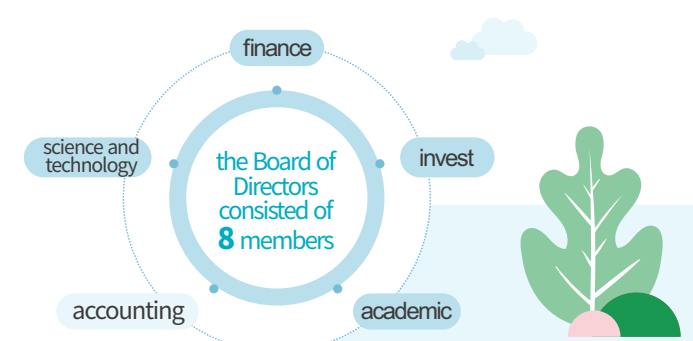
Bairong, Inc. has developed a fully functioning and effective governance architecture comprised of the shareholders' meeting, the Board of Directors, special committees and senior management in strict accordance with Corporate Governance Code, Corporate Governance Report and the relevant regulation described in Listing Rules and has established an efficient and effective supervision and constraint mechanism. The Company will continue to improve its governance architecture and elevate its governance level so as to maximize the benefits for the shareholders.



Board of Directors Diversity

Bairong Inc. pays attention to the diversity of its Board of Directors and is committed to building a Board of Directors composed of members with different backgrounds, professions, skills, experiences and genders. The Company has formulated the Policy on Diversity in the Board of Directors to specify the means to achieve diversity in the Board of Directors and has practiced the aforementioned policy in its work. A variety of factors (including but not limited to gender, age, cultural and educational background, professional qualifications, skill-specific expertise and relevant experience in the industry) will be fully considered in the review and evaluation of qualified director candidates of Bairong, Inc. By introducing diverse perspectives and thinking, the Board of Directors can make more comprehensive and innovative decisions and improve corporate governance. Bairong Inc. recognizes the importance of a diverse Board of Directors and actively attracts outstanding talents to enhance the Company's competitiveness and reputation. Meanwhile, a diverse Board of Directors helps to better cope with the complex business environment and social changes, promote the Company's sustainable development, and maximize long-term benefits.

As of the end of 2024, the Board of Directors consisted of 8 members. The members of the Board of Directors are of diverse backgrounds and have obtained extensive qualifications and academic accumulation in industries including science and technology, finance, investment, accounting and academic; all directors of Bairong Inc. have sufficiently acquired all the relevant expertise, skill, attainment and experiences necessary for their performance of their obligations so that they can oversee the major decision-making schemes developed by the management team.



Nomination of directors and selection



The Company has developed a Director Nomination Policy which describes the rules and predetermined criteria for nomination, so as to ensure that the selection and appointment of every individual director is conducted in a fair, transparent and just way and complies with the provisions set forth in the Articles of Association and relevant governance regulations. The business characteristics, development strategies, medium- and long-term planning, structure of the Board of Directors and diversified configurations are all considered in the nomination for the Board of Directors to set out the prerequisite conditions, professional expertise and skills and overall capabilities required for the selection and appointment of a director.

Training of directors



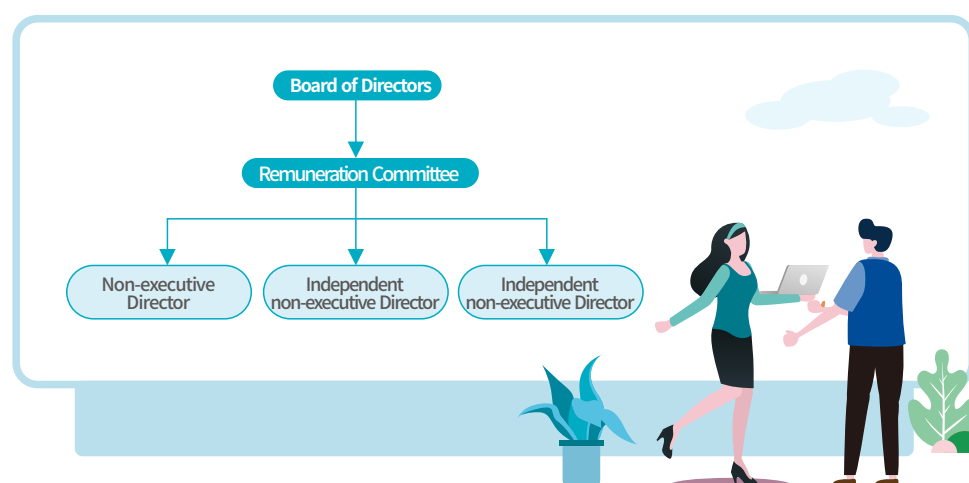
The Company attaches substantial importance to the professional development of the Board of Directors; therefore, it has been, in accordance with regulatory policy developments and changes, providing training and learning opportunities for the directors by using various approaches such as on-site training, remote training, and distributing reading materials, so that the directors can invest themselves into the corporate and ESG governance to a greater level, thus performing their respective duties more efficiently, continuing their efforts in improving and maintaining the Company's promising governance performance and level. In 2024, the Company organized 2 compliance training sessions for directors, that all incumbent directors attended.

Remuneration and performance of the management



A Remuneration Committee has been set up under the Board of Directors, with one non-executive director and two independent non-executive directors of the Company as its members. In addition to proposing remuneration policy and developing procedures for the Board of Directors, the Remuneration Committee also carries out periodic review of the remuneration system and criteria set for the directors and the senior management by taking into relevant factors such as the remuneration level in comparable companies, duties and duration of incumbency, business performance of the Company and potential future risks, then submits the results from their review to the Board for further consideration.

The Company regulates the remuneration management of directors, supervisors and senior management according to the remuneration management measures for senior management. The remuneration of senior management is based on their performance contribution, ensuring alignment between incentives and results. The Company has set up an equity incentive plan to effectively motivate senior management.



Legal compliance and stable operation

Risk management



Bairong Inc. attaches substantial importance to managing the risks faced by the Company in the development process, continuously improves the overall risk management system, the risk identification and response mechanism, organizes overall risk assessment, conducts targeted management of major and important risks for the year, and prepares comprehensive risk management reports. Furthermore, the Company constantly improves its internal control system, and strengthens internal control supervision and management to support sustainable development.

As a response to regulatory requirements, Bairong Inc. has developed a well-designed risk management system and followed this system in conducting its various activities; the Company has been constantly updating its competency in risk prevention and management over the various major sources of relevant risks to support the high-quality development of the Company by applying high-level risk management.

Risk management mechanism

The Company has formulated a guiding document titled Comprehensive Risk Management Measures for conducting its risk management activities, in which the organization framework, system-based procedures, methods and techniques involved have been specifically described. In its daily work, the Company has made continuous efforts to embed overall risk management into all its various activities by thoroughly incorporating each individual requirement in the risk management in the corporate management and business processes, to provide joint support for the overall goals set for the business and development of the Company.

Risk management objectives

- ① To ensure that risk control is commensurate with the overall goals set for the business and development of the Company and to facilitate the fulfillment of corporate strategic goals within acceptable range;
- ② To ensure that information communication can be achieved in a veritable, reliable and effective manner both internally and externally for the Company;
- ③ To ensure that relevant laws and regulations are strictly observed and corresponding social responsibilities are fulfilled as required;
- ④ To ensure that the business management is performed effectively to improve the efficiency and results of business activities; and
- ⑤ To ensure that proper plans for handling crisis following the occurrence of various major risks have been formulated by the Company, so that the Company suffers no major losses due to catastrophic risk or human-induced mistakes.

Organization system of risk management

Chairman Responsible for the effectiveness of overall risk management activities, including formulation of general goals for corporate risk management, determination of overall corporate risk preferences and risk acceptability, and review of results from risk assessment on major matters and response plans.

Legal Affairs Department Organize all departments to carry out supervision and evaluation of overall risk management, compile and issue report on the supervision and evaluation of overall risk to the management.

Risk management process

The risk management process of Bairong Inc. mainly includes:



Development of a risk management culture

Bairong, Inc. strives to create a risk-conscious company culture by providing diversified training and carrying out awareness activities intended to deeply integrate its risk management culture into its corporate governance, help all employees develop a correct risk management philosophy and understanding of the co-existence of risks and opportunities, and give sufficient importance to the proper implementation of responsibilities over risk management in each function, to effectively better the risk management level and qualities of its employees in risk management, thus providing a solid guarantee for the fulfillment of risk management objectives. In 2024, the Company persuaded people to sign an internal control commitment letter and held 5 risk training sessions throughout the year.

Case: Internal control policy promotion conference of Bairong Inc. - internal control regulations are officially released to protect high-quality development

In July 2024, Bairong Inc. held an internal control policy promotion conference, and all employees of the Company attended the meeting. At the meeting, Bairong Inc.'s CEO, Zhang Shaofeng, delivered a speech, elaborating on the strategic significance of the Company's efforts to strengthen integrity and compliance and outlined important future initiatives.



Compliance management

Bairong, Inc. has been conscientiously implementing the requirements set forth in the Company Law of the People's Republic of China, regulations and relevant normative documents, and has fully developed various guidelines and systems including Compliance Risk Management Measures, data compliance system, financial compliance system, human resource compliance system, operational compliance system, confidentiality compliance system, operation and maintenance & network security compliance system. By attaching substantial importance to compliant operations according to laws, the Company has fully achieved efficient identification and management of compliance risks through its properly established compliance management mechanism and systems, and made comprehensive efforts to ensure that the business management by the Company and its staff and its practices are all carried out in strict accordance with the national laws, regulations and guidelines. By establishing and perfecting the compliance organization, formulating and perfecting the compliance system, preventing and controlling compliance risks, and promoting and strengthening the compliance culture, compliance management comprehensively covers important business areas and key links such as internal environment, risk assessment, control activities, information and communication, and internal supervision.

Compliance management principles

Comprehensiveness, initiative, independence and effectiveness.

Compliance management system



The management of the Company

Review and approve the Company's compliance policy, fundamental systems and compliance risk management report; carry out assessment of the effectiveness of compliance management, urge to address issues found in compliance management; appoint and appraise staff involved in compliance management, and set up a direct communication mechanism for the head of compliance.

Chief Financial Officer (CFO)

Direct the Legal Affairs Department to improve the governance architecture, follow the compliance management procedures and provide cooperation and support for staff involved in compliance management; implement compliance policy to ensure that any violation found is reported and rectified in a timely manner and conduct investigations; and ensure that the submissions to the supervisory authorities and self-regulatory organizations are not subject to any falsification.

Head of Compliance

Formulate the basic system of compliance management and other compliance management systems of the Company; organize compliance review of the Company's rules and regulations, major decisions, new products and new business plans; organize compliance training and provide compliance consultation; report illegal acts or identified compliance risk hazards promptly; and supervise and handle complaints and whistle-blowing reports against violations of laws and regulations.

Compliance Management Department

Prepare compliance management system according to the laws, regulations and regulatory policies; carry out regulatory dynamic monitoring to assess the effect of regulatory requirements on the Company's compliance management; initiate various compliance encouraging activities and training; compile and submit compliance report; perform compliance risk assessment, compliance review, compliance check, management of conflict of interest, etc.

During the reporting period, there were no major violations of laws and regulations.

Strengthening business ethics

Fair competition

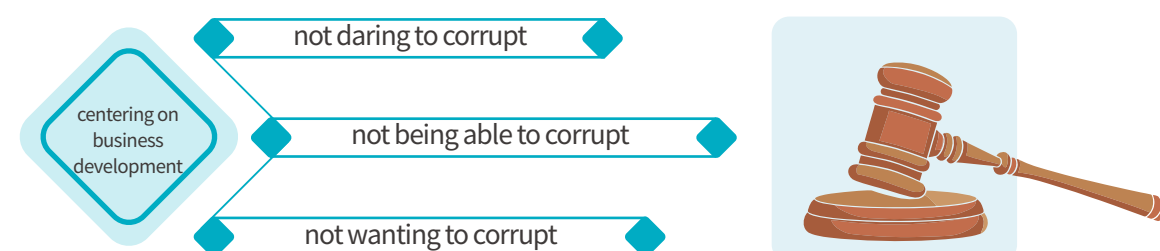
Bairong, Inc. strictly abides by the Anti-monopoly Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibition of Monopoly Agreements, the Interim Provisions on Prohibition of Abuse of Dominant Position of the Market and other laws, regulations and relevant provisions, and effectively guards against anti-monopoly legal risks through several documents including Bidding Management Measures, Market Work Guidelines, Publicity Management Measures and Procurement Management Measures. The Company has strengthened its penalty mechanism, effectively preventing and addressing violations while upholding the integrity of the market economy.

The Company has formulated and implemented the Anti-monopoly Compliance System, and conducted compliance training for the management. The Company has formulated the Guidelines for Competitor Communication to guide its business departments. The Company's compliance team works closely with the legal affairs team to review the compliance of each contract from to ensure fair competition. The Company's related businesses need to be subjected to compliance assessment and declared according to legal requirements. In case of unfair competition, violations of the integrity and compliance code of conduct, the Company will give warnings, demerits, dismissals, fines and other penalties in accordance with the Employee Handbook, Measures for the Administration of Penalties for Employees of the Company and other rules and regulations, and cancel the granted stock options. Those suspected of violating the law and committing crimes will be handed over to judicial authorities according to law.

Anti-corruption and anti-commercial bribery

The Company upholds the principle of honesty in its operations and is committed to creating a satisfactory working atmosphere featuring integrity, immersive pioneering, and compliance with laws and regulations. Based on the guiding principle of "one center + three non-corruptions": "centering on business development" and "not daring to corrupt, not being able to corrupt, and not wanting to corrupt", and in combination with the relevant provisions in the Employee Handbook, the Company formulates the Bairong Anti-corruption Regulations to standardize employee conduct, provides principle guidelines and practical directions, and explains the compliance, integrity and reporting of violations in work interactions, and strictly investigates and eliminates corrupt practices. To prevent corruption, the Company has established an effective anti-corruption and anti-commercial bribery management system. It has designated 'embezzlement and bribery' as the most severely prohibited conduct within the Company, treating such acts as absolute taboos to serve as a strong deterrent and issue a clear warning. The Company has continued to strengthen its internally controlled compliance mechanism. Meanwhile, the Company has proactively conducted compliance reviews and compliance checks pertinent to anti-corruption and anti-commercial bribery, then investigated, reported and addressed the identified corruption hazards in a timely manner in the form of regular or unscheduled inspections. In addition, the Company strengthens its supplier management, formulates the Sunshine Procurement Guidelines, and establishes green sunshine clauses, red clauses and high-voltage line clauses to regulate the integrity behavior of personnel at all levels.

In 2024, no cases of corruption were identified within the Company. It conducted 5 anti-corruption training sessions.



Anti-money laundering

Bairong Inc. has taken a series of measures in anti-money laundering such as strictly implementing customer identification, monitoring trading activities, carrying out employee training, establishing a compliance system, sharing information with relevant institutions, conducting regular audits and risk assessments, and conducting customer due diligence to prevent money laundering activities and protect financial security.



Supervision and reporting

Since its establishment, Bairong, Inc. has always abided by the principles of openness, fairness, faith and transparency, and will never tolerate any illegal, non-compliant or commercial corrupt practices. It calls on all employees to respect the law, resolutely resist any illegal, non-compliant and improper behaviors, and issues the Integrity Reporting Policy. The Company encourages its employees to expose and report various corrupt practices through various reporting channels, such as portal website, telephone calls and report boxes. The Internal Control Department is responsible of processing the acceptance and investigation of reports of violations of the integrity and compliance system; it independently exercises the right of investigation and has the power to interview any employee. No department or individual may interfere with or restrict, purposefully refuse or obstruct its investigation. The department or individual under investigation shall ensure the authenticity of the material submissions. The "Bairong Integrity Team" will provide strict confidentiality for all information providers and information provided during its acceptance of reports and investigation. The Company has established various whistle-blowing channels such as mailboxes and email addresses (Whistle-blowing email address: jubao@brgroup.com) to encourage reporting of violations and dishonest acts by its employees, and provides full protection for the employee reporting the violations or employees involved in or assisting in investigating to prevent the occurrence of unfair retaliation or treatment.

Bairong, Inc. attaches great importance to the protection of whistle-blowers and has taken a series of measures. The Company ensures that whistle-blowing channels are safe and confidential, and the identity of whistle-blowers is strictly kept confidential, and retaliation is strictly prohibited. Furthermore, the Company has also conducted awareness and education campaigns to raise employees' awareness of protection for whistle-blowers and ensure the safety and rights of whistle-blowers.

Open and transparent protection of rights and interests

Management of investor relations

The Company highly values the rights and interests of all shareholders and listens to opinions and suggestions through multiple channels such as the official website, public accounts, hot line and email. In addition, the Company has created IR assistant “Bairongrong” to timely release the Company’s news and interact with investors.



IR assistant “Bairongrong”



In 2024, the Company organized 2 performance briefings attended by 100 people, coordinated 7 forums hosted by the CEO and senior executives, and organized over 250 nationwide roadshows meetings, covering over 1,000 investment institutions or individuals throughout the year, and firmly establishing the responsibility awareness of “respecting, revering and protecting investors”. In addition, in 2024, the Company added coverage by 5 sell-side analysts for, a total of 16 brokerage firms by the end of 2024, released 79 sell-side reports, communicated with over 50 brokerage firms, and attended more than 300 strategy meetings.

respecting investors

revering investors

protecting investors

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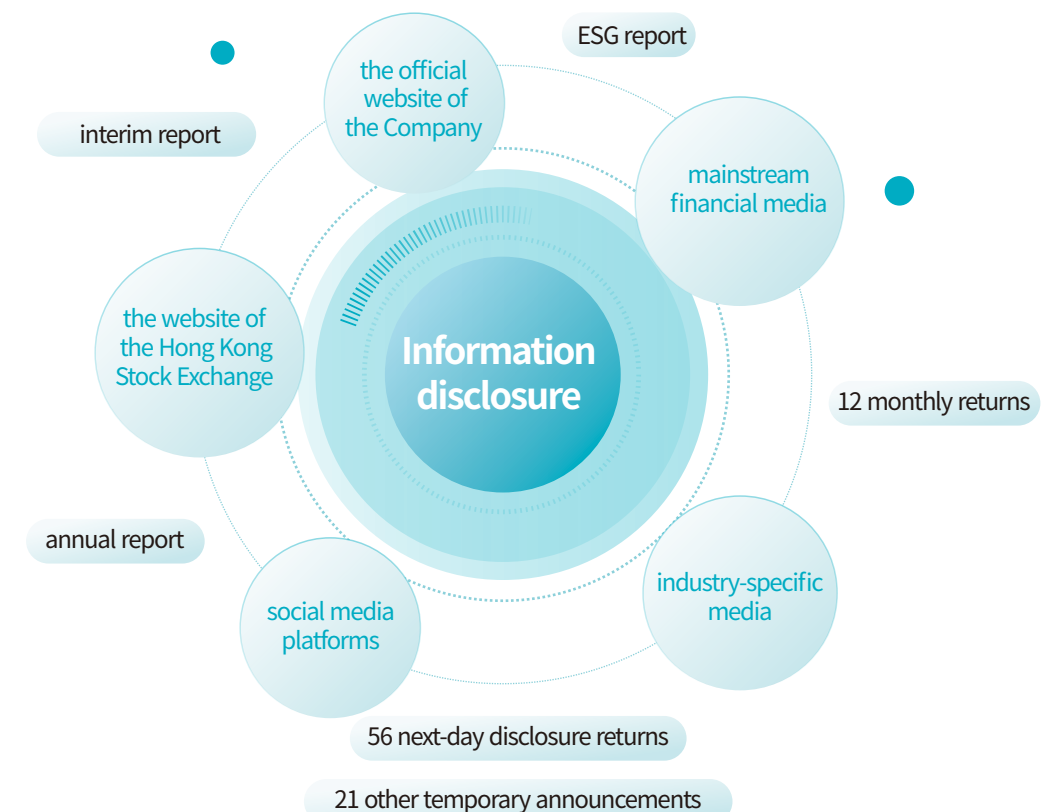
a total of 16 brokerage firms

In 2024, the Company repurchased a total of 25.49 million shares, spending HKD0.2375 billion.

Information disclosure

Bairong, Inc. strictly upholds the principles of fairness, justice and transparency in information disclosure. In accordance with relevant laws and regulations and established information disclosure requirements, it formulates the Information Disclosure Management System to regulate various aspects such as information disclosure, financial data release and the handling of major events, clarifies the responsibilities of various departments, stipulates the processing procedures and disclosure timing for related matters, and ensures the truthful, accurate, complete and timely disclosure of all information that may have a substantial impact on the decisions of shareholders and other stakeholders. The Company publishes information on the website of HKEX, the official website of the Company, mainstream financial media, industry-specific media and social media platforms and interacts with investors to ensure that all shareholders have equal opportunities to obtain information.

In 2024, the Company released its annual report, interim report, ESG report, 12 monthly returns, 56 next-day disclosure returns and 21 other temporary announcements.



Fairness

Justice

Transparency

SECTION 2

- Digital intelligence empowerment and driving the wave of science and technology

02



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Continuous upgrading by AI Innovation

Bairong Inc., leverages the deep learning Transformer framework, relies on a deep neural network and attention mechanism to build an automated machine learning modeling platform. It integrates diversified AI technology algorithms, including generative algorithms (AIGC), decision-making AI and AI intelligent interaction technologies, to create AI application products positioned for financial vertical scenarios. Our MaaS (Model as a Service) model deeply integrates the cloud-native platform with large models, enabling models to be conveniently deployed in different financial business scenarios, and achieving rapid calling while helping financial institutions complete on-line closed loops. At the same time, under the BaaS model, our generative AI technology capabilities, including intelligent voice products, are applied in intelligent interaction scenarios, which can provide natural language understanding, multi-round dialogue, language processing and text generation - "listening, speaking, reading and writing" capabilities - suitable for scenarios such as new customer marketing, customer reactivation and intelligent operations.

We will accelerate AI technology investment through multi-dimensional strategic layouts, relying on a thousand-level computing power cluster and a trillion-level multi-modal corpus. We will continuously iterate the performance of multi-modal large models, constantly improve model response speed, and simultaneously promote the collaborative innovation of NLP, AutoML, privacy computing tool chains and AI Agent platform. The AI voice robot performance is at the industry-leading level, currently supporting more than twenty language scenarios. We will continuously optimize model performance, enhance its emotion recognition and emotional output capabilities, and improve the collaborative transfer capabilities of multiple AI Agents.

In addition to pan-financial scenarios such as wealth management and securities, the Company will also focus on expanding its market share in various industries, empower multi-sector industry upgrades through AI technology, explore diversified scenarios such as healthcare, education, retail and recruitment, and build innovative business models. With AI technology as its core, the Company connects resources on both the supply and demand sides and provides accurate demand matching for C-end consumers while ensuring user privacy and data security. At the same time, it helps B-end companies achieve efficient customer acquisition and conversion, ultimately realizing a positive cycle of "technology empowerment - data accumulation - business closed loop".

Product R&D oriented to solving the pain points of actual scenarios

300 million

40 ms

319 items

Technical progress of MaaS

- Cloud platform stability: 99.999%.
- The model is called more than 300 million times a day on average.

Technical progress of BaaS

- VoiceGPT has a call delay of 40 ms, and the functions of emotion recognition and emotion speech output are iterated, which are applied to more than 20 language scenarios, including dialect English.
- AvatarGPT interactive hardware has been commercialized in scenarios, including psychological escort for adolescents, and it has broken the circle to pan-financial and pan-industry scenarios.

Acquisition of patent software copyrights

- By December 31, 2024, the Company has obtained 319 patent and software copyrights, covering AI, machine learning, big data, privacy computing, human-computer collaboration, multimodal and other fields.



The scenario is closer to the user.



Have unique industry expertise



Faster, more accurate and more efficient

2024

R&D investment amount
RMB0.509 billion

Proportion of R&D investment in
main business revenue

17%



Case: Bairong Inc. passed the CMMI Level 5



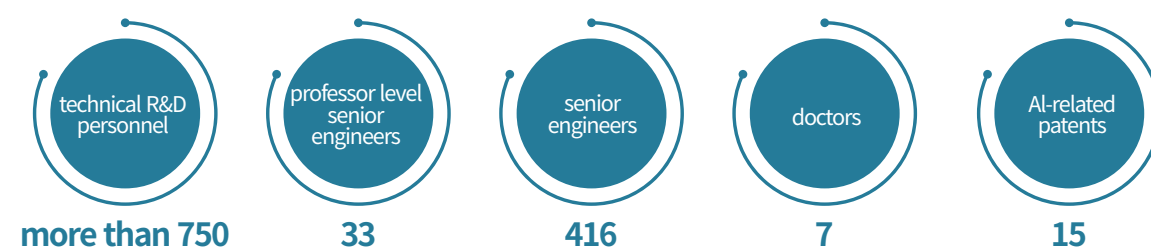
In 2024, Bairong Inc. passed the CMMI Level 5, the highest level certification in the global software engineering field, which was of great value. This highlights that Bairong Inc. has become a world leader in software R&D, project management and continuous optimization. CMMI stands for Capability Maturity Model Integration, which is an internationally recognized authoritative standard for measuring the maturity of software companies' R&D capabilities and project management level. CMMI maturity levels are divided into five levels, with Level 5 being the highest level assessment in the system. It is the assessment with the highest management maturity requirements, the greatest application difficulty, and the highest level in the international software industry.



■ Cultivation of R&D talents

To implement the strategy of strengthening China through talents in the new era, the Company optimizes the innovative talent service actively, such as motivating the innovation power of high-level talents and implementing relevant management measures, to help the team and individual make outstanding contributions on science and technology progress in scientific research and production activities and encourage the enthusiasm and innovation of science and technology innovation personnel, and improve the technical density of employees through a series of customized courses and training. It assists in the talent reward project declaration and guidance and opening of incentive award declaration channel.

The Company currently has more than 750 technical R&D personnel, 33 professor level senior engineers, 416 senior engineers and 7 doctors. With nearly half of our employees engaged in R&D, and 15 AI-related patents, we focus on the introduction of AI science and technology talents and compound talents, to continuously enrich the R&D team.



■ Industry-university-research cooperation

Bairong, Inc. promotes the deep integration of industry, university and research, builds three culture modules such as oriented, professional and characteristic training, “Dual-qualified” teacher teams in colleges and enterprises and joint communication and experience activity to jointly cultivate composite senior scientific and technological innovative talents adapting to scientific and technological innovation and high-tech industrial development. The Company has jointly held school-enterprise cooperation activities with Tsinghua University, Hong Kong University of Science and Technology, Renmin University of China, Central University of Finance and Economics, City University of Hong Kong and other universities to exchange knowledge and insights on cutting-edge AI technology. The school-enterprise cooperation has become an important force in promoting the development of the Company’s excellent scientific research talent team.



■ Following AI ethics

In 2024, Bairong Inc. participated in the launch of the first domestic initiative on generative AI ethical governance norms in the financial field initiated by think tank media - Joint Initiative on Developing Responsible Financial AIGC, adhering to the values of “pursue intelligence for good, promote high-quality financial development; be people-oriented, ensure controllable financial risks; adhere to returning to the origin, and help the real economy”, and complying with the basic principles of “promote orderly innovation, adhere to compliance bottom line, strengthen ethical governance, improve data governance, enhance transparency and credibility, protect user rights and interests, jointly promote fairness and inclusiveness, and encourage openness and interconnection”. The Company actively works with all sectors of society to create responsible AI, promote the healthy development of the AI industry, and improve the well-being of the people.

Focusing on R&D and innovation achievements

Bairong Inc. has made significant achievements in terms of innovation R&D. Its R&D team is committed to technological innovation and continuously promotes ground breaking solutions. It has made a series of invigorating achievements in terms of AI, big data analysis, blockchain technology and other cutting-edge fields.

In 2024, Bairong Inc.’s intelligent voice product VoiceGPT made significant progress in technology and applications and established a first-class infrastructure. All technologies are independently developed, effectively reducing costs. VoiceGPT performs well in applications, supports multiple dialects, and realizes emotional expression of voice robots in different scenarios, while being able to recognize user emotions. In addition, the Company plans to expand the application scenarios of VoiceGPT to the pan-financial field. By focusing on specific areas, it can complete model training and realize application implementation in a short period of time.

In 2024, Bairong Inc. successfully launched the CybotStar enterprise-level intelligent platform, which is committed to solving the problem of practical application of large models in customer business scenarios. The CybotStar platform covers intelligent applications for internal scenarios (EX) and customer scenarios (CX).

- In internal scenarios, the platform provides functions such as customer service training, customer due diligence, legal compliance, consumer protection, personnel management and contract management, aiming to improve the internal operational efficiency and management level of the Company.
- In the customer scenario, the platform supports functions such as automatic customer service, automatic marketing, repayment reminders, customer return visits, customer care and self-service, and is committed to optimizing customer experience and enhancing customer interaction.

As of now, Bairong Inc. has integrated large models such as DeepSeek into the CybotStar platform to further enhance the platform's capabilities in planning and reasoning scenarios.

In the area of digital humans

In 2024, we have successfully identified and expanded multiple high-value application scenarios, including recruitment scenarios, medical diagnosis cooperation scenarios, and youth psychological counseling scenarios, and have achieved commercial application.

Lead the innovation of large models

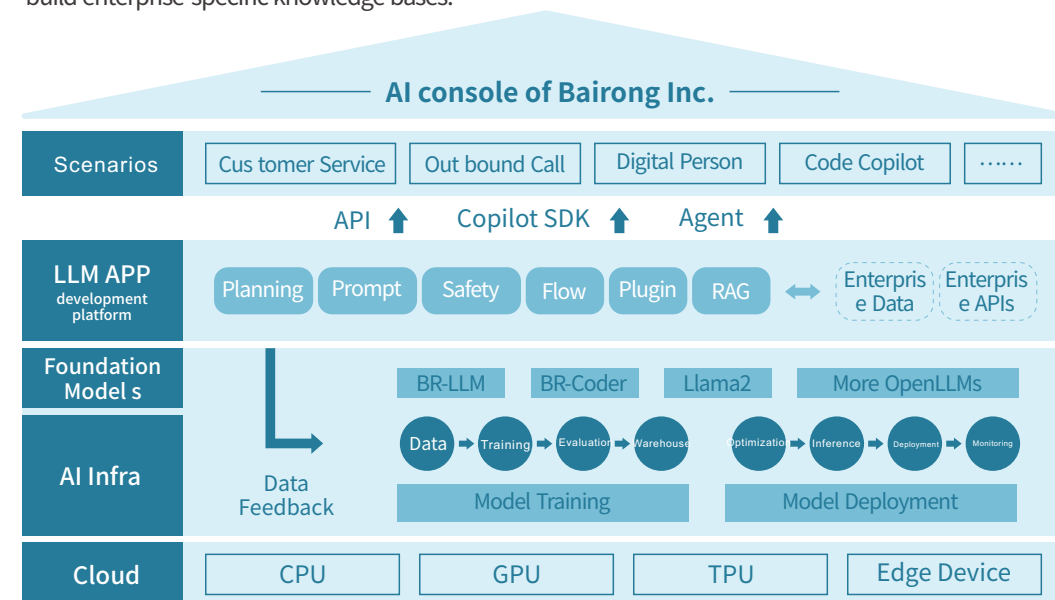
Case: Exploring innovation in the AI field

On March 12, 2024, China Internet Weekly, Deben Consulting, Information Research Center of the Chinese Academy of Social Sciences and eNet Research Institute jointly announced the results of the Golden i Award for “Outstanding Service Provider of 2023”. Bairong Inc. adheres to the spirit of Longtermism, continues to explore and innovate in the AI field, and creates a scenario-driven industrial large model - BR-LLMs, which successfully breaks through the application ceiling of a single industry, emerges as a universal “wisdom”, and wins the “2023 Product of the Year” award.



Case: CybotStar - a one-stop application development platform for large models

CybotStar provides one-stop, end-to-end large model development and application services, covering all aspects from model pre-training, fine-tuning, alignment to engineering deployment optimization. On the CybotStar platform, industrial organizations can focus on their business without investing heavily in AI and human resources to build large enterprise-level models, create agents for complex tasks, and build enterprise-specific knowledge bases.



AI application technology and digital solutions

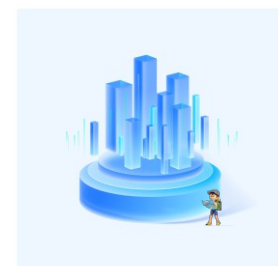
Case: Bairong, Inc. presents its full-scenario AI products at Hong Kong FinTech Week

The 2024 Hong Kong FinTech Week at the AsiaWorld-Expo brought together more than 30,000 industry elites from more than 100 economies. It is one of the most influential fintech events in Asia. As an AI technology company that has been deeply involved in the industry for more than ten years, Bairong, Inc. brought its full-scenario digital products and solutions to the FinTech Week attracting the attention of many participants.



Case: Bairong, Inc. signs contract with Yunjing Culture and Tourism to empower digital upgrade of the industry with technology

Yunjing Culture and Tourism Technology Co., Ltd. (“Yunjing Culture and Tourism”) has reached a strategic cooperation with Bairong, Inc. Through this cooperation, Bairong, Inc. will help empower the digital upgrade of the culture and tourism industry and the upgrade of tourist services with technology, and promote the vigorous development of smart tourism, a new consumption model. This cooperation with Yunjing Culture and Tourism is another breakthrough for Bairong Inc. In recent years, the “circle of friends” of Bairong Inc. has further expanded to non-financial scenarios, with service portfolio covering multiple industries such as e-commerce, human resources, logistics, ticketing, energy and construction. As of now, Bairong, Inc. has served more than 7,000 commercial institutional customers, of which non-bank and insurance institutions account for one-third.



Provide customized financial solutions

Case: With using AI to manage post-loan assets, Bairong, Inc. joins hands with leading urban commercial banks to move towards digitalization

In December 2024, Bairong Inc. successfully won the bid for the “Non-performing Asset Transfer Transaction Consulting Service Procurement Project of Credit Card Center of Commercial Bank in xx” and will use AI technology to help the commercial bank operate post-loan assets, improve overall asset quality, and consolidate profitability. Subsequently, Bairong, Inc. will rely on the MaaS cloud platform with 99.999% extremely high stability and millisecond-level high-speed response, as well as the successful business model path of improving KPI for enterprise customers through BaaS, to empower urban commercial banks in post-loan asset management. It will use AI technology to help the banking industry and more vertical industry customers reduce costs and increase efficiency and enhance intelligent operation capabilities.

Case: China Unicom once again joins hands with Bairong, Inc. to write a new chapter in the digital economy

In November 2024, China Unicom Payment Co., Ltd. (“China Unicom Payment”) and Bairong, Inc. reached a strategic cooperation. The two parties will focus on the in-depth coordinated development of digital and intelligent transformation. In this cooperation, Bairong, Inc. will rely on the MaaS cloud platform with extremely high stability (99.999%), millisecond-level high-speed response and high-efficiency services, to enable the digital development of China Unicom Payment.



Fully protect intellectual property rights

The Company strictly abides by relevant laws and regulations, including but not limited to Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, Copyright Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China, etc., and has formulated the Management System for Intellectual Property of Bairong, including Patent Rights Management System, Trademark Rights Management System, Computer Software Copyright Management System, etc. The Company records relevant work involving intellectual property and clarifies the ownership of intellectual property creations. In this way, we can not only protect the Company's own intellectual property, but also strengthen intellectual property management, thus encouraging innovation and creativity and promoting the sound development of the industry. Bairong Inc. stipulates that employees must protect the Company's intellectual property, and respect the intellectual property of others. It is encouraged to report violations of intellectual property of Bairong Inc. through the Company's whistleblowing and complaint channels, to better safeguard the legitimate rights and interests of the Company's intangible assets. The Company integrates intellectual property protection into the daily work of its R&D team, takes “timely protection” and “active mining” as the basic principles, and regularly carries out relevant skills training and patent mining to enhance the awareness of R&D personnel intellectual property protection.



has accumulated
more than
319
patents and
software copyrights

After investing in technology over many years, Bairong, Inc. has acquired a first-mover advantage in privacy computing, intelligent voice and machine learning, and has achieved significant results. As of the end of 2024, Bairong, Inc. has accumulated more than 319 patents and software copyrights, and by fully combining technology, products and business, it has promoted the current technical innovation to serve future customer needs and build a strong competitive moat.

SECTION 3



- Strive for perfection and provide quality services

03



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Adhere to the standard and create extraordinary quality

In its R&D process, Bairong, Inc. pays attention to market demand and user feedback, and constantly optimizes design to ensure its products achieve excellent performance and functions. Bairong, Inc.'s product quality is reflected in accuracy, reliability, safety, stability, compatibility, user experience, innovation, quick response and iterative ability. To meet these requirements, the Company usually increases R&D investments, focuses on testing and optimization, and actively collects user feedback to continuously improve the quality and competitiveness of its products.

Our MaaS (Model as a Service) business assists institutions in making intelligent decisions by outputting models and evaluation results. On the one hand, it provides a deeper understanding of user personas; on the other hand, it more efficiently matches users with products. The core strengths of the MaaS business lie in Bairong's accumulated user persona assets spanning over a decade and the moat formed by serving more than 7,000 clients. Based on decision-making AI technology, we integrate different model products applied in various business scenarios, such as anti-fraud, fund demand, marketing intention, qualification certification, etc., into different modules and efficiently provide them to financial service providers through the API interface of the MaaS cloud platform. Clients can freely allocate various models according to their own inquiry needs. Our self-built MaaS cloud platform is safe and reliable, with a stability rate of 99.999%, and it provides over 300 million various inquiry requests daily. The MaaS business charges service fees or annual fees based on the volume of inquiries. The advantage of this business model is that as the scale expands, costs are rapidly diluted, enabling stable and continuous generation of substantial profits.



Certificate of Quality Management System



Our BaaS (Business as a Service) business leverages generative AI technology and our self-developed AI VoiceGPT to assist institutions in intelligent marketing and intelligent operations, enhancing the efficiency of asset operations in the credit, wealth management, insurance, and Internet technology industries. We first conduct predictive analysis and label stratification on the target user groups of institutional clients, thereby precisely matching marketing strategies. Then, we use AI VoiceGPT, manual efforts, or a combination of both to collaboratively reach out to users and facilitate transactions. Through this end-to-end service, we can help various industries revitalize their existing users while acquiring and converting new users into results. Through this closed-loop service, we can accumulate corpus data in real-time during the operation process to feed back into model training, optimize and iterate scripts, and enrich user personas. Each of our AI VoiceGPT can simulate human voices to smoothly conduct multi-round conversations, with a voice response latency of less than 500 milliseconds and a semantic understanding accuracy rate of over 99%. The BaaS business charges technical service fees or commissions based on the transaction volume facilitated. The advantage of this business model is that no fees are charged before assisting institutions in generating any revenue, truly taking responsibility for the final performance KPIs of institutional clients, which is more attractive to clients for trials, thereby rapidly expanding the business scale.



Case: "Quality First, Striving for Perfection" - Workshop for Building Zero Defect Quality Management

In order to deepen the quality awareness of all employees and promote the implementation of the "zero defect" culture, in March 2024, the Company organized and carried out the special workshop for Building Zero Defect Quality Management. The event brought together the heads and core backbones of more than a dozen secondary departments, which aimed to systematically improve the quality management ability through cross-departmental cooperation and knowledge sharing, thus injecting impetus into the high-quality development of the business. The event strengthened the philosophy that "everyone is the first person responsible for quality", which laid a foundation of consensus for cross-departmental quality co-construction.



This workshop is an important milestone in the Company's quality culture construction. In the future, we will continuously promote the standardization and intelligence of quality management through training empowerment, mechanism optimization, and technological upgrading, to provide customers with more reliable products and services, and fulfill the Company's commitment to sustainable development.

Build a sustainable supply chain

Bairong, Inc. is committed to building a responsible supply chain by instilling social responsibility as the source. The Company formulates and implements a high-standard quality management system through active cooperation with suppliers to ensure products and services achieve reliable quality.

Supplier management

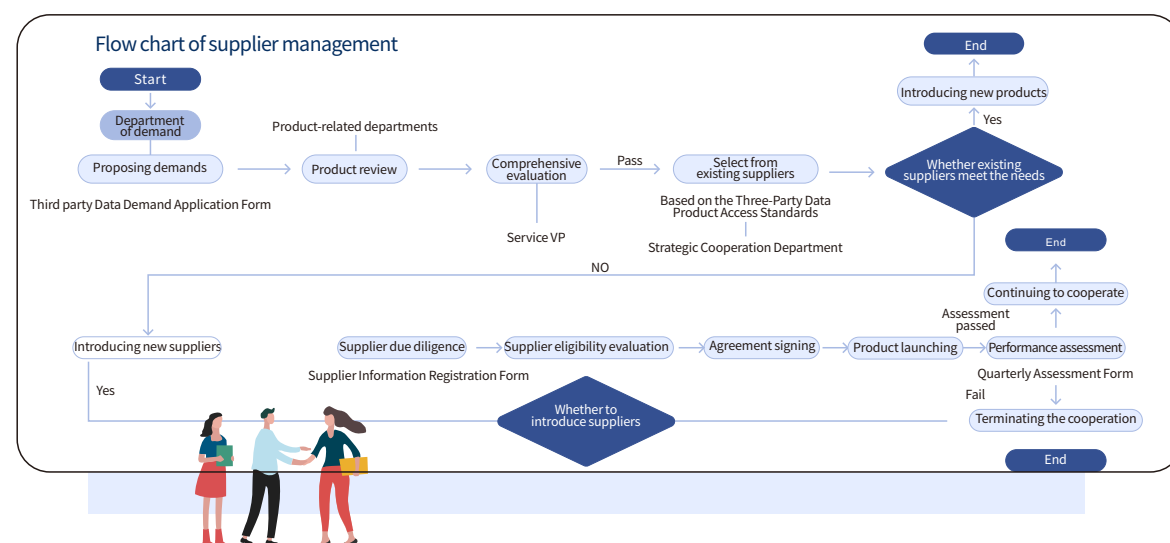
Bairong Inc. strives to build a sustainable supply system and fully complies with relevant national laws and regulations and industry rules. The Company has formulated the Three-party Data Product Requirements Assessment and Supplier Management System to effectively implement supplier management, safeguard the legitimate rights and interests of the Company, suppliers and information subjects, promote the standardized business operation and ensure its healthy development.

Bairong Inc. standardizes supplier management by relying on systems. The Company integrates suppliers' performance in environment, society and governance practices into entire process from eligibility, evaluation to withdrawal of suppliers, which covers multiple aspects of environment, quality, safety, labor and business ethics. For example, in terms of supply chain management, Bairong Inc. pays attention to environmental protection and sustainable development and encourages suppliers to adopt environmentally friendly materials and production processes to reduce the environmental impact. Furthermore, the Company also pays attention the labor conditions in the supply chain, requires suppliers to abide by the ethics and human rights standards, and protects workers' rights and interests.

Bairong Inc. actively promotes the innovation and optimization of the supply chain, and improves the efficiency and flexibility through technical means to meet the changing needs of clients.

Supplier eligibility

In all processes of supplier management, Bairong Inc. takes into account suppliers' ESG risks in a targeted manner according to the Criteria for Eligibility of Data Source Suppliers, and focuses on their performance in information security, product liability, risk management and business ethics.



Supplier assessment

Bairong Inc. has established a strict supply chain supervision mechanism to regularly evaluate and review suppliers, thus ensuring they meet the Company's requirements and standards. Through close cooperation and communication with suppliers, the Company strives to realize the transparency and traceability of the supply chain. Bairong Inc. performs supplier review once every quarter. The review meeting is organized by the strategic cooperation department, and the review is undertaken by the review team. The performance appraisal results will serve as a basis to approve new suppliers, continue cooperation with existing suppliers and adjustments of later purchase quota.

In order to better protect all stakeholders' interests and avoid and minimize possible risks in all aspects, in case the supplier commits the following acts, Bairong Inc. will consider whether to suspend or terminate the cooperation:

- ④ Data leakage, abuse or other major negative events have occurred;
- ④ Large-scale client and user complaints have occurred;
- ④ A supplier has been investigated by the public security department, or interviewed, investigated, ordered to be rectified or fined by network information administration, telecommunication administration, market supervision and administration at municipalities directly under the central government or above the provincial level and industry associations;
- ④ A supplier bribed the Company's employees; and
- ④ Other circumstances occur that may adversely affect the Company.

Green supply chain management

The "green supply chain" is a philosophy and practice that includes environmental factors into supply chain management. It aims to reduce the negative impact of supply chain activities on the environment and improve the efficiency of resource utilization. Bairong Inc. actively builds a green supply chain. In its supply chain, the Company not only emphasizes its own environmental performance, but also actively encourages its suppliers, manufacturers, distributors and other partners to achieve green development together. The Company strongly advocates green purchases, and clearly stipulates that, those who have obtained the environmental management system certification and products with green certification or low-grade energy efficiency shall be given priority in supplier evaluation and product purchase. The Company will engage with suppliers with significant negative environmental information cautiously and immediately terminate the cooperation as appropriate. Furthermore, the Company works to improve employees' knowledge and skills of green purchase and ensure the effective implementation of green purchase policies. By doing so, the Company aims to drive enterprises involved in the supply chain to improve their environmental performance, and jointly promote harmonious coexistence with the environment.



Set customers' mind at rest with professional after-sales service

Bairong Inc. attaches great importance to the understanding of client needs, and our client service is characterized by professionalism, timeliness and personalization. We respond to client needs timely through various channels and provide them with customized solutions. To meet the personalized needs of clients, the service team will provide them with customized solutions according to the characteristics and needs of clients.

In 2024, our customer satisfaction rate remained above 97%, confirming the absolute leading position we have earned through the accumulation of brand reputation over the past decade.



By the end of 2024, the Company had received dozens of thank-you notes from customers which were the most beautiful medal for the year-round hard work of Bairong Inc. The notes were filled with trust and recognition from customers towards Bairong Inc. These customers praised our AI, team's excellent service spirit, and high-quality delivery results.



Support customers with privacy protection

The Company attaches great importance to the information security of customers and stakeholders, pays high attention to customer information protection, and has implemented a series of strict measures. Advanced encryption technology is used to ensure client data is secure during transmission and storage. Moreover, a perfect access control mechanism has been established to limit employees' right of access to client information. In terms of data processing, the Company follows strict compliance standards to ensure data is used legally. Furthermore, we strengthen employees' awareness and understanding of the importance of client information protection and improve their ability to prevent risks through regular internal confidential training and educational activities.

Data security strategies

Data access permission control

Implement strict data access approval and authorization mechanisms, ensure minimal authorization and necessity of data access, conduct network policy control for data access, prevent unauthorized access.

Data encryption transmission

Use secure links and encryption protocols such as dedicated lines, VPN, and HTTPS for data transmission, and ensure data security during transmission.

Data storage

Use secure encryption technologies AES256 and SHA256 for important data encryption and storage. Store data in different domains and levels according to data security levels, and ensure physical or logical isolation between different storage domains. Establish data backup and recovery mechanisms, regularly test backup data, and ensure its availability when needed.

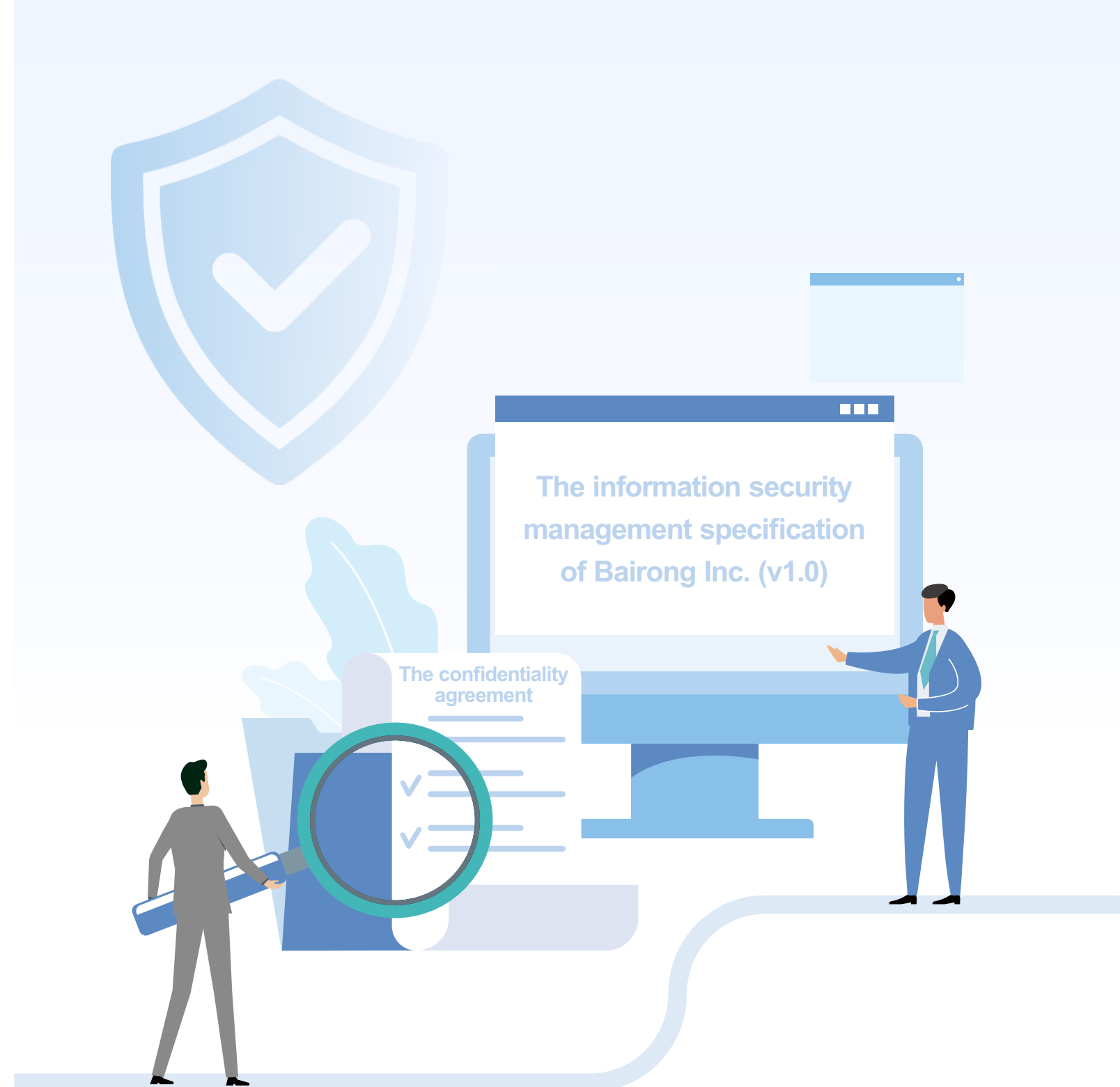
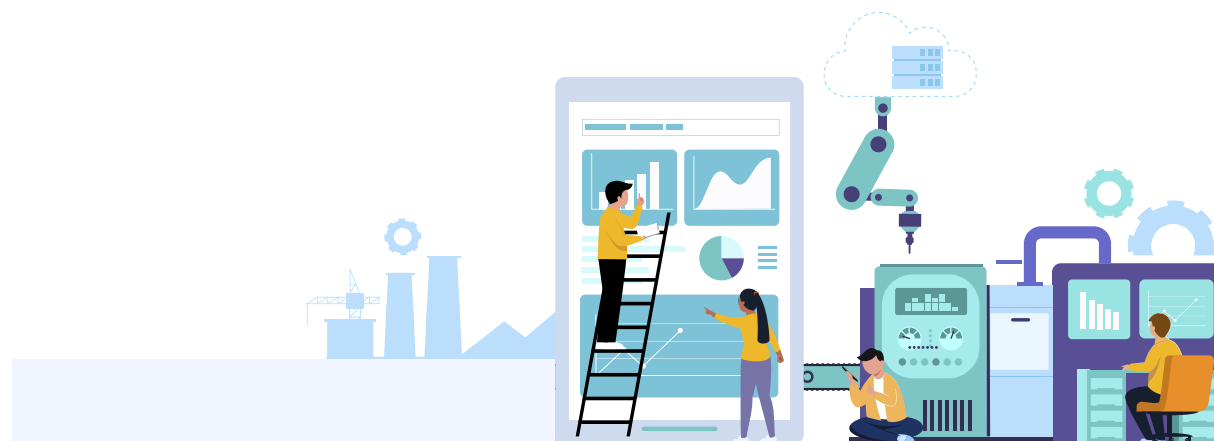
Data deletion

Complete processes and handling mechanisms have been established for data deletion and destruction. Disks storing "corporate secrets" must be degaussed, and disks storing "corporate confidential" and "internal public" information must be repeatedly overwritten before reuse to ensure data cannot be reused. All operations must be performed by two people, and the destruction process must be recorded and confirmed.





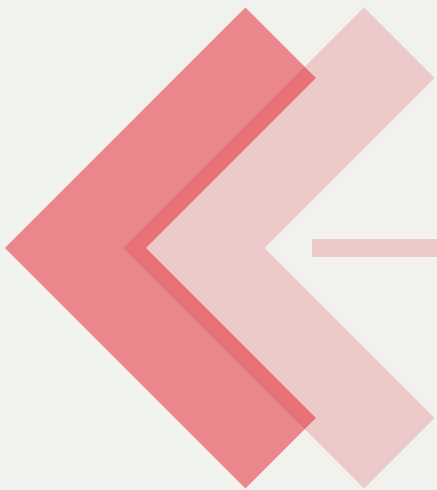
The Company has clearly defined the classification of information security incidents, and formulated the "Information Security Management Specification of Bairong Inc. (v1.0)" to clarify the scope of sensitive information and data, and the Confidentiality Agreement to prevent data leakage incidents. The incident handling process is standardized, involving collaboration among QA (quality assurance team), person responsible for incident, and customer's operational staff, and the incident penalties are clearly defined in the documents. This reflects the Company's emphasis on information security management and ensures that information security incidents can be handled promptly and effectively.



SECTION 4

- Enhance people's well-being under the “people-oriented” principle

04



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Legal employment with diversity and inclusion

Bairong Inc. focuses strongly the building talent and technical teams. It actively recruits high-quality talents, and provides training and development opportunities to integrate more and more excellent technical talents. It encourages employees to learn and master the science and technology and improve their technical level to give solid support for the Company's innovative R&D.

Bairong Inc. strictly follows the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, as well as open recruitment, equal competition and selective admission principles. It does not discriminate against any candidate due to gender, nationality and age and prohibits to employ child labors or slave labor.

Recruitment of employees

The Company strictly follows the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Civil Code of the People's Republic of China and other related laws and regulations, makes and strictly implements the Recruitment Management Measures and other internal management systems, guarantees a complete and compliant internal recruitment system and standardizes talent selection and employment mechanism to build an excellent reserve pool for the long-range development of the Company, and establishes and improves the rights and interests protection of employees.

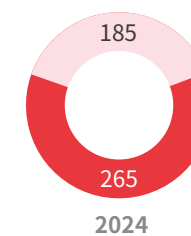
In its recruitment process, the Company adopts uniform policy and tiered management mode. The HR Department takes charge of making the overall recruitment and employment policy, other departments, branches and offices implement the detailed recruitment activity and management process. Such a management mode with clear division of responsibilities improves the recruitment efficiency and ensures standard and regulated employee recruitment and enrollment procedure.

The Company is committed to promoting the diversified and inclusive development strategy to actively absorb excellent talents through multiple channels. It implements a series of strategies, including social recruitment, on-campus recruitment activity and internal recommendations to recruit professionals of different backgrounds and experience. The complete talent introduction strategy enriches the Company's culture and injects new vitality in the Company's innovation and development. With diversified recruitment, the Company can better adapt to market change, improve its competitiveness and lay a solid talent foundation for realizing long-term sustainable development.

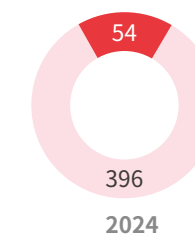


By the end of 2024, Bairong Inc. had a total of 1,445 employees.

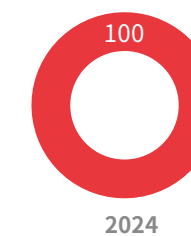
Total number of new employees **450**



By gender structure:
Male 265
Female 185



By recruitment channel:
Fresh graduate 54
Social recruitment 396

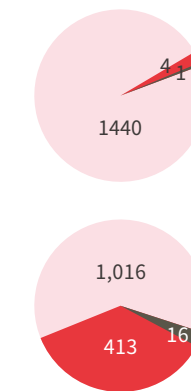


Labour contract signing rate
100%

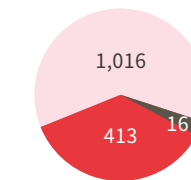


Total number of employees **1,445**

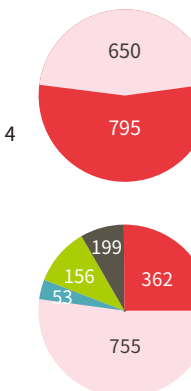
Employees from minority groups **64**
Employees from disabled group **2**
Labor dispatched employees **11**



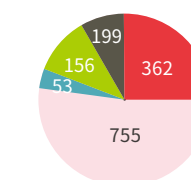
By geographical distribution:
Mainland China 1,440
Hong Kong, Macao and Taiwan (China) 4
Overseas 1



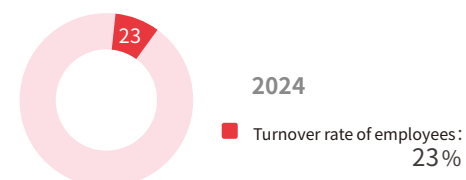
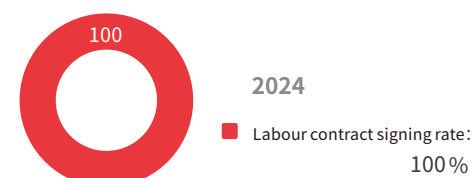
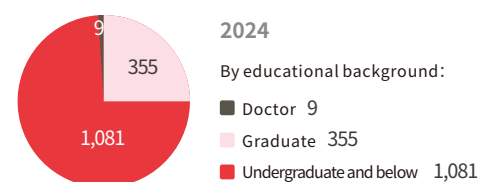
By age structure:
35 years old 1,016
36-50 years old 413
Over 50 years old 16



By gender structure:
Male 795
Female 650



By discipline:
Sales personnel 362
Administrative personnel 156
Technician 755
others 119
Financial personnel 53



Clear rules

To ensure smooth recruitment activities, the Company makes a comprehensive Annual Recruitment Work Plan. The plan specifies the annual recruitment objective, principles, strategy, task, required resources, working pace and evaluation criterias so that all departments of the Company can finish the annual talent recruitment efficiently. Through this process, Bairong, Inc. can ensure consistency between recruitment activity and organization strategy, select and absorb appropriate talents efficiently and meet the requirement for business development.



Abundant channel

The digital wave brings in historic development opportunities to Bairong Inc. Bairong Inc. believes that enhancing efficiency digitally can realize internal operation transformation and thus can achieve better interaction with clients, partners and employees. Under the philosophy of "digital and intelligent innovation", Bairong Inc. develops digital transportation and practice for different human resource modules. Relying on digital empowerment organization innovation construction and selection, integration, use, cultivation, reservation and gathering of talents, it opens the way toward "digital and intelligent navigation and labor efficiency improvement".

In terms of recruitment, Bairong Inc. leverages the EHR and external recruitment system, completes data interaction, and thus realizes intelligent recruitment integrated management from talent selection to employment; moreover, it has a constant insight into recruitment quality and efficiency based on all kinds of online digital BI advertising boards and drives the recruitment results digitally. To organize and manage its talent inventory, it builds the digital performance management system and talent inventory system, clarifies the talent development conditions with the system and makes the future talent planning and talent cultivation plan. As for remuneration and welfare, the Company builds the digital remuneration and welfare platform and enables employees to achieve one-click online procurement with the internal procurement platform. The result is an effective digital human resources management system in practice.

Societal recognition

As the leader in digital and intelligent services in the Chinese finance industry, Bairong, Inc. always applies high industry standards and is committed to being an efficient and caring company. The Company legally ensures employees' equal employment, reasonable working conditions, comprehensive remuneration and welfare, and career development. It provides equal opportunities for employees of different ages, races, genders, nationalities, physical conditions, and religions, etc., and offering open communications and complaints channels. It also firmly opposes and has zero tolerance for any form of discrimination and harassment. Respecting others' personality and dignity is an obligation for every employee, and maintaining one's own personality and dignity is also a right that every employee has. Therefore, the Company has won multiple awards concerning employer brands and human resource management in connection with employer value, digitally driven labor efficiency improvement and employee experience. The awards reflect the spirit of one heart, unity and common progress and the power of Bairong Inc. as talent magnet.

Labor disputes

The Company's Measures for Administration and Handling of Labor Dispute Events comply with the Labor Dispute Mediation and Arbitration Law of the People's Republic of China and handles labor disputes following fairness and impartiality principles and in accordance with the law; any disputes arising between the Company and employees during work shall be subject to the Labor Contract. In 2024, the Company handled 0 labor disputes.

Democratic management

The Company actively establishes an open, transparent and democratic communication mechanism, and builds a diversified democratic communication platform that comprises various channels such as labor unions and employee representative meeting, employee communication and interviews, and internal management research. The Company respects and guarantees employees' democratic rights, such as their right to know, participate, express and supervise, and the freedom of association, and encourages them to participate in the Company's management activities. In 2024, the Company's employees participated in 13 democratic management activities.

2024

Employee satisfaction score **4.84** (5 points as full marks)

Number of employees participating in the survey **533**



Firmly practice employee care

Remuneration and welfare

The success of Bairong Inc. depends on our ability to integrate, retain and motivate qualified talents. As a part of its human resources strategy, the Company provides employees with competitive remuneration solution, including the competitive salary, performance-related cash bonus and other motivations. By the end of the reporting period, the total remuneration cost of the Company was RMB875.297 million, compared to RMB718.005 million in the previous reporting period.

Philosophy and structure of remuneration

● Purpose:

Remuneration administration is aimed fundamentally at absorbing, retaining and motivating the Company's excellent talents by establishing the remuneration system that is fair internally and competitive externally; creating the "performance-oriented" remuneration concept of the Company by fulfilling the remuneration philosophy of embodying post value and employee performance; achieving scientific salary philosophy and incentive system subjecting to post obligation, capability, performance contribution and other factors.

● Philosophy:

Market: the Company sets the overall remuneration level not lower than the external market level by benchmarking with the external remuneration survey data and adopts differentiated remuneration strategy in consideration of the market supply and demand condition of the post to ensure the external competitive power of the remuneration level.

Post: the remuneration system is integrated with the employees' career development channel system to reflect the remuneration level corresponding to different post value and levels.

Qualification: fixed employee salary embodies the employees' post nature and competency; there is certain difference on the fixed salary for employees at the same post due to different capabilities and experience.

Performance: performance bonus reflects employees' performance and contribution as well as the performance-oriented remuneration incentives.

● Structure

Non-sales system: basic wage + performance wage + general subsidies + traveling allowance + 13th month payment + annual performance related bonus + long-term incentives (Option+RSU);

Sales system: basic wage + general subsidies + push money (monthly)/bonus (seasonal) + long-term incentives (Option+RSU)

Remuneration and welfare

The Company, in accordance with Remuneration Management Regulations, Measures for Administration of Total Wages, Payroll Management Rules, and other related regulations, establishes the decision-making mechanism linking the gross payroll together with economic benefit and labor productivity and adheres to the principle of equal pay for equal work. It builds a diversified remuneration system that post decides the basic wage, performance decides the performance wage and contribution decides bonus to motivate employees to grow together with the Company. The Company makes specially the Remuneration and Welfare Management System to ensure scientific, standard and rational remuneration management.

Remuneration survey

To ensure the external competitiveness and internal fairness of remuneration with target and achieve individualized design of the remuneration system, Bairong Inc. optimizes its remuneration structure by market remuneration survey. The strategy is conducive for the Company to more precisely make the remuneration policy meeting the market trend and ensure the competitive power of the Company on absorbing and retaining key talents as well as maintain the internal fairness of remuneration. By the method above, Bairong Inc. can provide more reasonable and incentives remuneration plan based on employees' concrete contribution and market standard.

Principles of remuneration system

Bairong, Inc. applies four core dimensions as the design foundation for building its remuneration system, including market competitiveness, post value, qualification and individual performance. Such a multidimensional remuneration design method ensure Bairong, Inc. to take the remuneration level of external market, post contents and requirements, employees' professional skill and work experience as well as work performance and contribution into full account when making the remuneration policy. With the method above, Bairong, Inc. can establish a set of fair and competitive remuneration system to effectively motivate employees, and absorb and retain key talents, so as to support its long-term development. The Company has released the 2024 Share Incentive Plan, with a planned incentive scale of 41 million shares, and has cumulatively granted 1.168 million share options to core employees.

Employee welfare

It improves continuously its remuneration and welfare system, pays wages in full on time, pay social insurance, accumulation fund, and enterprise annuity for employees according to law, establishes the relatively complete welfare guarantee system, and advocates employees to work efficiently and arrange rest and vocation reasonably. Employees enjoy various statutory paid holidays according to law, including statutory holidays, annual leave, marriage leave, home leave, funeral leave, maternity leave, sick leave, work-related injury leave, etc. In 2024, the Company's employee social insurance coverage rate was 100%, with an average paid leave time of 7 days per person.

In order to standardize the welfare management procedure, Bairong, Inc. has formulated the Welfare Management System in close combination with the actual situation of the Company. In addition to the national statutory welfare programs, the Company also provides the following additional supplementary benefits for employees to attract and retain more outstanding talents and improve employees' welfare and security.



Supplementary medical insurance programs

The Company's supplementary medical insurance plan covers not only the regular medical expenses, but also the liabilities of accidental injuries resulted from transportation (such as self-driving), major diseases and disease death, thus providing more comprehensive protection for employees.

Gender friendliness

Baby care rooms are provided to meet the female employees' special needs when they are in specific period, which reflects the Company's emphasis on gender equality and employee care.

Catering

Employees are provided with free dinner or convenient retail food service so that they can get safe food supply when they work overtime.

Other

In addition, birthday celebrations, holiday gifts, and regular physical examination are provided for employees to enhance their sense of belonging and happiness.

Care and assistance

Bairong, Inc. attaches the highest importance to employees' health and safety and resolutely opposes any behavior that may pose a threat to their health and safety.

Employee health

Bairong Inc. is committed to creating a safe working environment and striving to take appropriate safety measures to abide by all applicable safety laws, regulations and specifications, and to eliminate all identified safety hazards. Bairong, Inc. has formulated the Fire Safety System and Emergency Plan, which popularizes the daily fire precautions, fire safety knowledge and fire safety management system to employees. Besides, a detailed emergency fire evacuation and escape plan was also formulated to improve employees' fire safety awareness and emergency response.



Bairong, Inc. pays close attention to employees' health, abides by the Labor Law of the People's Republic of China and the Law of the Peoples Republic of China on Prevention and Control of Occupational Diseases, and strengthens the identification and monitoring of occupational disease hazard factors, prevention, inspection and accident handling of occupational diseases. In terms of employees' mental health, the Company has formulated "Tips to Achieve Physical and Mental Pleasure" to help employees maintain a happy mood and balance work and life. This measure aims to relieve employees' anxiety, uneasiness and fretfulness, help them maintain a positive and optimistic attitude, and promote their mental health and overall well-being.

Bairong, Inc. regularly provides comprehensive physical examinations for employees, to ensure their physical and mental health are fully cared for and protected. In addition, the Company also hires a professional team to perform regular cleaning, maintenance and disinfection of the Company's public areas, such as large landscapes, walls, carpets, green plants and the entire office space, to ensure the employees' working environment is clean, hygienic and safe. There have been no occupational deaths in the past three years.

2024

Number of accidents among employees in the workplace 0 Item

Work injury rate 0 %

Proportion of work-related deaths 0 Person

Number of work-related deaths 0 %

Number of working days lost due to work-related injuries. 0 Hour



Case: "First aid knowledge and CPR+AED" training session

Time is life. In the initial "golden time" of first aid, taking accurate and quick effective first aid measures will win precious rescue time for the injured, safeguarding the health and safety of oneself and others. As a model for the scale and sustainable development of AI technology companies, Bairong Inc. always regards the life, health, and safety of employees as the cornerstone of its development and puts the Company's care and responsibility into practice. In August 2024, Bairong, Inc. purchased seven automated external defibrillators (AEDs), known as "life-saving devices", and carefully deployed them in various workplace areas. At the same time, senior instructors were invited to conduct a vivid and extensive "first aid knowledge and CPR+AED" training session for nearly a hundred Bairong trainees. After rigorous assessment, outstanding trainees were awarded first aid skill certificates, becoming the first aid vanguard in the workplace.



Employee caring

Bairong, Inc. attaches great importance to the care of employees, actively creates a healthy, positive and progressive corporate culture, promotes the cohesion and collaboration of company, and promotes employees' well-being and sense of belonging.

2024

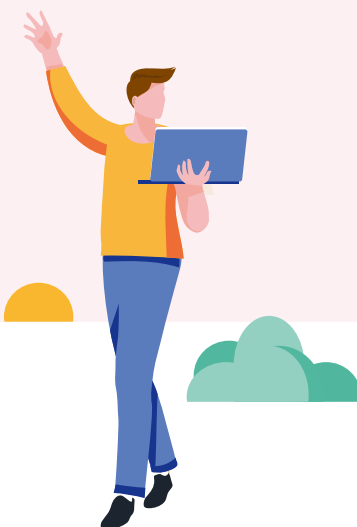
Fund investment in assisting employees with RMB**346,000**



Course learning in Cloud Academy on Women's Day



Business English salon



Platform empowering employee development

Bairong Inc. follows the principles of democracy, openness, competition, priority, employee being adaptable to all levels of jobs and high and low remuneration, develops multiple promotion paths, designs perfect career development paths and promotion systems for employees with different capabilities, thus cultivating and utilizing various outstanding talents, and satisfying employees' career development and personal value realization.

Employee development

Bairong Inc. always attaches importance to employees' professional development and personal value promotion, constantly improves its talent training system, formulates and implements employee training management systems, and optimizes employees' performance appraisal and feedback procedures. Bairong Inc. provides a broad development platform for outstanding talents; encourages employees to learn various types of professional knowledge, actively improves their academic qualifications and professional qualifications, and comprehensively improves their management level and vocational skills.

Guided by the long-term strategy and its short-term business development needs, the Company focuses on creating direct and positive business impacts, integrating the utilization and development of talents, practicing the talent guidance strategy of "emphasizing the top tier and bottom tier employees and guiding middle tier employees", and breaking the balance and enlarge the gap between the top-performing cadres and individuals and the bottom-performing cadres and individuals, to eliminate the situation of "messing together", and let the top-performing employees to promote the middle-performing employees, and the middle-performing employees to influence the bottom-performing employees. Furthermore, the Company also encourages employees to develop in a zigzag manner.

Bairong Inc. fully encourages the oblique and zigzag development path across departments, cities and even countries to provide dual paths for talent development, thus providing a regular career development avenue for most employees and also designing a more suitable career development path for specialists. When an employee used to be the manager of product, operation and function departments, and also engaged in projects in the market, he will undoubtedly effectively solve the problems encountered by virtue of rich work experiences. Besides, he can also consider and solve the problems from the overall situation, from end to end and from the whole process. Those who grow up in the same department in a certain system inevitably feature selfish departmentalism, and take limited and one-sided approaches to view problems. Therefore, the Company encourages the rational flow of cadres and talents to form a powerful task group.



Employee training

In order to comprehensively improve the employees' specialized skills, enhance their capability to engage in their own jobs while understanding the company culture, enrich their knowledge and skills in a planned way, explore and develop their potential capabilities, and help them establish and maintain good interpersonal relationships, Bairong, Inc. has specially formulated the Training Management System. The system provides clear implementation and management guidance for the Company's personnel training activities, and ensures the systematization and effectiveness of the training, thus supporting the Company's long-term development goals.

2024

Training expense RMB **860,000**

Number of training sessions held **504**

Average training hours of employees **65**

Coverage rate of employees receiving training **98%**



☉ Type of training

Internal training: including induction training for new employees to help them quickly integrate into the Company; internal general capability training to improve employees' basic skills; on-the-job specialized capability enhancement training to enhance the employees' specialized capability in specific positions; and "Bairong Class" series training, to promote the exchange of knowledge and experiences through internal lectures and sharing sessions.

☉ Training requirements

The results of the training tests will be included in the individual performance appraisals, which are one of the important basis for assessing the conversion, promotion (demotion) and transfer of employee.

☉ Internal lecturer system

The training courses shall be formulated and implemented by department heads, outstanding backbones in various positions, specialists in functional departments, or employees with rich operational skills and strong communication skills in combination with the Company's development requirements, business strategy, management and sales.

☉ Training duration

All departments shall carry out trainings at least twice a month. The sales department focuses on the training in business skill, while the functional department focuses on the training in departmental functions. Trainings are in the form of lectures or discussions, with a length of no less than 1 hour each time.

Through the implementation of the Training Management System, Bairong Inc. can ensure that employees constantly improve their own capabilities and better adapt to the Company's rapid development, and at the same time, inject new vitality into the Company's culture inheritance and company development.

Case: Focusing on Core Groups and Empowering Talent Growth



We are well aware that new employees are the fresh blood of the enterprise, campus recruits are the mainstay of the future, and middle and basic managers are the key links in strategic implementation. To this end, we have designed systematic learning and development programs around these three core groups. Through digital intelligence empowerment operation, we help employees quickly integrate and continuously improve without incurring additional costs. These programs not only convey the Company's cultural values but also stimulate employees' potential, thus achieving great effects with small efforts.

- **New employees:** In September 2024, over sixty new employees from different departments participated in the Offline Training for New Employees of Data Lake. Here, they made new friends, gained a deeper understanding of the company culture, and solidly learned product knowledge.



- **Middle and basic managers in the feature library:** In 2024, nearly one hundred middle and basic managers of the Company participated in the Training Camp for Improving Management Capability. They applied management skills to their actual work through action learning, graduation reports, etc. The training camp compiled the Bairong Management Handbook (100 Questions) through forms such as case studies and scenario simulations, which retained valuable experience and guided daily management work. The training camp includes online courses and offline trainings. In the two-day offline training, in-house trainers provided in-depth explanations in combination with actual cases of the Company.



► **Campus recruits:** The campus recruit training camp, with the theme of "My Career Day One", adopts a learning mode combining "online + offline". It conducts knowledge learning and consolidation through online courses, community interactions, AI exchanges, knowledge quizzes, etc. It helps everyone quickly integrate into the workplace environment from campus to the workplace, from theory to practice, to master the necessary workplace skills.

During the entire training camp, each trainee is assigned an experienced workplace mentor. The mentors not only provide valuable guidance for everyone in learning and practice but also help everyone better adapt to the workplace environment and clarify their career development directions through one-on-one communication, career planning suggestions, etc.

The participation rate of the trainees in this training camp is as high as 100%, the average completion rate of the online courses is 100%, the attendance rate of the offline activities is 99%, and the overall satisfaction reaches 93.6%.



Case: AI innovation driving, building a learning ecosystem together



We encourage the philosophy that "everyone can be a teacher". We precipitate organizational experience through the in-house trainer team. With the help of digital intelligence platforms such as "Xueban Xiaorong" and "Bairong Cloud Academy", we make knowledge sharing and experience inheritance the norm. At the same time, we actively explore the application of AI technology in learning and development, develop intelligent assistants to improve efficiency, integrate self-developed knowledge to expand the data set, and provide employees with a more efficient and personalized learning experience.

A teacher should have profound knowledge, and a model should possess noble virtues. Teaching and learning promote each other, and both educators and learners make progress together while imparting knowledge and skills. The Company encourages the spirit of sharing, and everyone can be a teacher: Nearly one hundred lecturers and sharers have organized more than 400 trainings/sharing sessions in the Company, with a cumulative teaching/sharing duration of more than 400 hours and a cumulative number of participants of more than 9,000.



Persistently supporting public welfare

While seeking development itself and creating commercial value for the society, Bairong, Inc. has paid more and more attention to the construction activities of ecological environment and social responsibility, and regarded the practice of social responsibility as a key link in company management. In recent years, the Company has fully implemented the strategy of "rural revitalization" and promoted consumption assistance, educational assistance and agricultural assistance activities; carried out different forms of activities, and both the Company and employees actively participated in public-interest activities. Furthermore, we have continuously carried out consumer, industrial and educational assistance activities to help local villagers in Shijingshan district to make profits and increase income, improved their educational conditions, and supported the development of local characteristic economy, and won the honor of "outstanding contributor to rural revitalization" in Shijingshan district.

Promoting community co-construction

Bairong, Inc. attaches great importance to coordinating development with the community, and timely identifies, evaluates and resolves the risks of conflicts between community and the Company while developing various businesses. Bairong, Inc. respects the cultural customs and behaviors of the community and promotes a win-win situation that benefits company development and community prosperity.

We actively support local community development and economic growth and provide jobs for local talents. Additionally, we actively encourage voluntary activities such as sanitation and cleaning, planting and "green" maintenance, water saving and conservancy, and civilization guidance. In 2024, the Company participated in a fund raising of RMB100,000 for social assistance funds in Shijingshan District.

Case: A major conference on caring for the mental health of adolescents was held. "AI Cabin Caring for Mental Health" made a stunning debut



In November 2024, the donation ceremony for the "AI Cabin Caring for Mental Health" (Adolescent Emotional Companion Center), jointly created by Huakai Youshi and Bairong Inc., was held in Beijing. This donation activity targeted 300 schools in 100 counties (districts) across the country, using AI to protect the "mental" world of adolescents.



AI Cabin Caring for Mental Health

Enthusiasm for public welfare

The Company has always adhered to the philosophy of harmony between company development and social responsibility, constantly strengthened political responsibility, actively participated in public-interest activities, dedicated love and served the masses through practical actions, and solidly promoted various volunteer services. Bairong, Inc. actively undertakes corporate social responsibility, closely follows the national development strategy, and supports the overall economic and social development by making full use of AI technology and industry cumulative advantages.

2024

Investment in social welfare activities RMB **18** ten thousand

Number of volunteers **139**

Total duration of volunteers (or employees) participating in public welfare activities **150** hours

Related honors
★★★★



Promoting rural revitalization

As an AI cloud service provider, it is constantly exploring financial technology empowerment. Relying on our extensive technical strength, we have improved the coverage and convenience of financial services provided by financial institutions for "agriculture, rural areas and farmers", and then implemented rural revitalization and development, and provided financial support for villages. In 2024, Bairong Inc. donated 124 computers to the Beijing Green & Shine Foundation to support the "Xiaori Chunhui Computer Classroom" public welfare project. This donation aims to promote rural education innovation and build a bridge for rural students to access information-based teaching.

Rural revitalization empowerment by science and technology requires focus on the characteristics of rural finance. To address the three major problems in rural finance, namely, asymmetric information, lack of collaterals and high transaction cost, Bairong, Inc. has built a model of "rural scenario + technology platform + financial institutions" to help perfect a rural credit system and improve the availability of rural financial services in a certain degree. Currently, Bairong, Inc. is cooperating with a number of local institutions, and provides convenient financial services for groups of "agriculture, rural areas and farmers" by assisting them in setting up rural financial service stations.

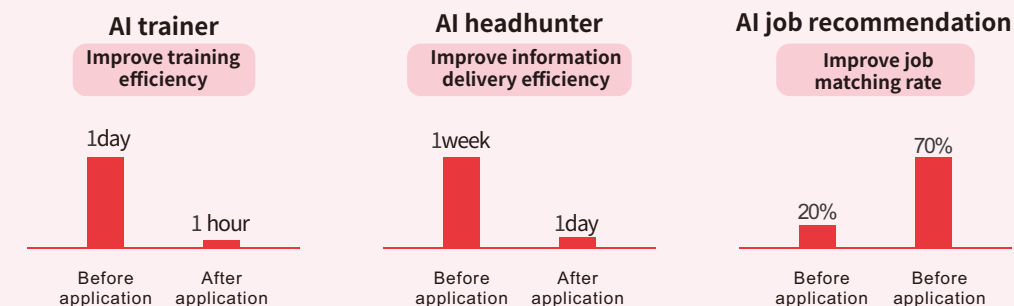
Promoting consumption assistance is an important way to consolidate and combine the achievements of poverty alleviation with rural revitalization. Adhering to the spirit of "always moving forward", Bairong Inc. supports the rural revitalization financially by means of digital technology, digitalization and intelligence, and makes contribution to the construction of prospective fields and ecologically livable beautiful countryside.

2024

Scope and number of beneficiaries **934**

Case: VoiceGPT × human resources Being an intelligent assistant for migrant workers

Given the lack of widespread access to job information for migrant workers, the Company provides services such as AI trainers, AI headhunters, and AI job recommendations based on VoiceGPT, innovating the employment management service model for migrant workers, assisting them to efficiently obtain job information, increase job opportunities, improve job quality, and promote skill enhancement.



SECTION 5



- Carrying out green development
creating a better future

05



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Promoting green transformation in finance

Bairong, Inc. has been engaged in green development and implemented green mission in the process of business development. The green solution developed by Bairong, Inc. is a set of prospective, implementable and innovative solutions. This solution closely follows national macro policy and deeply combines the leading domestic and overseas experiences. Besides, Bairong Inc. also attaches importance to its own green transformation. In addition to assisting financial institutions to build a green financial system, the Company also actively promotes the implementation of its own green operation philosophy. By integrating the ESG concept into all aspects of the Company, Bairong Inc. achieves its own high-quality development and continues to create value in the fields of economy, society and environment.

We have undertaken several green financial projects, in which bank clients are empowered to accurately identify green credit, green bonds, green bills and other businesses with the support of decision-making AI. We established an environmental and social risk management system by industry, and integrated the identification, assessment and management processes of environmental and social risks with the credit management process to establish the green financial system featuring full integration of green credit, green bonds, green investment, green leasing, green financial management and other businesses, and also realized business process automation.

Case: The integrated AI green financial business solution of Bairong Inc. was officially released

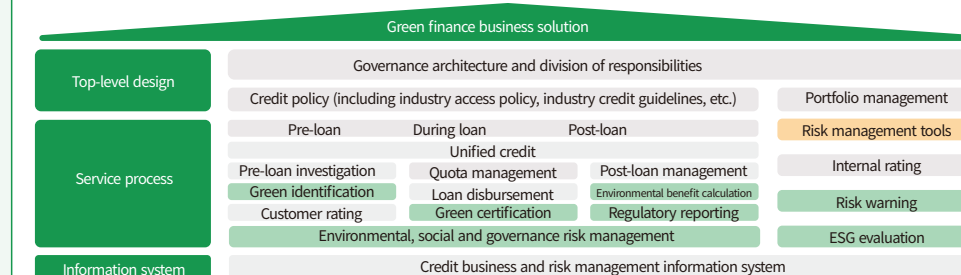


The 2024 Hong Kong FinTech Week recently concluded at the AsiaWorld-Expo, bringing together more than 30,000 industry elites from more than 100 economies. It is one of the most influential fintech events in Asia. As an AI technology company that has been deeply involved in the industry for more than ten years, Bairong, Inc. brought its full-scenario digital products and solutions to the FinTech Week, attracting the attention of many participants. The entire solution reflects the characteristics of “1234”.

❖ “1” refers to “integration”

The solution achieves full coverage of underlying information systems, business processes, and upper-level design, meeting the practical needs of scenarios such as green standard management, green customer management, green loan identification, green loan certification, environmental benefit calculation, environmental and social risk management, ESG evaluation, and environmental information disclosure by financial institutions.

Integrated green finance business solution “one-stop service”



❖ “2” refers to support of two AI capabilities

The integrated solution embeds the large model of the base - BR-LLM and the intelligent application platform of the large model - CybotStar Agent Builder, bringing a new atmosphere to multiple scenarios and processes, including but not limited to green intelligent identification and benefit calculation, ESG risk assessment and early warning monitoring, and environmental information disclosure by financial institutions.

❖ “3” refers to “three-in-one” management system

Based on the integrated solution, financial institutions can effectively build a “three-in-one” management system covering customers, portfolios, and institutions.

❖ “4” refers to construction in four levels

Based on the integrated solution, financial institutions can improve the construction at four levels: informatization, digitalization, scientific and technological innovation, and data construction.



Case: Bairong Inc. assisted Hengfeng Bank in launching “green credit services based on AI technology”



In April 2024, “green credit services based on AI technology” of Hengfeng Bank was successfully selected into the regulatory tool for financial science and technology innovation of the People's Bank of China Shandong Branch and included into the financial science and technology innovation management service platform of the People's Bank of China Headquarters. This application comprehensively utilizes AI technology to build an intelligent identification system of green credit, accurately interprets the relevant policies and standards of supervisory authorities on green finance, outputs rules for identifying green loans according to regulatory requirements, labels each loan with a green identifier, automatically generates environmental benefit calculation reports, minimizes manual judgment workload at each stage, prevents judgment errors or omissions, effectively alleviates the problems of long time consumption and low accuracy in manual green identification in the current green credit business, and provides customers with more accurate and efficient green credit services.



Case: The Ministry of Industry and Information Technology! Selected Bairong Inc. + Huaxia Bank = AI × green finance as an excellent project



In June 2024, the 2024 National SME Service Month - the 6th China Digital Inclusive Finance Conference of the Ministry of Industry and Information Technology was officially launched. The green finance project jointly developed by Bairong Inc. and Huaxia Bank was selected as an excellent case by the Ministry of Industry and Information Technology. Bairong, Inc. and Huaxia Bank jointly developed a digital green finance solution, and used AI as a technical focus to comprehensively promote finance to be “green” and “new”, thereby intelligently “identifying green finance”, accurately “assessing green finance”, and efficiently “supporting green finance”.



Continuously improving environmental management

Green office

Bairong Inc. strictly abides by the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Energy Conservation and other relevant laws and regulations and is committed to continuously strengthening its internal environmental management system. The Company has adopted a series of targeted energy conservation and emission reduction measures, aiming to reduce energy consumption in daily office activities and data center operation, to specifically implement its commitment to environmental protection.

The Company's office space has been designed with the philosophy of environmental protection and sustainable development, and has set strict building standards in structural design, ventilation and lighting, facilities and systems, and has obtained the certification of environmental management system (ISO14001).

The Company runs low-carbon concepts throughout its entire operations, and adopts a series of measures to implement green office and practice green low-carbon life.



Energy consumption reduction

Put an end to office supplies and equipment with high energy consumption and low energy efficiency in the procurement and use, and advocate the use of LED energy-saving lamps, electrical appliances, recycled paper, replaceable core pens, rechargeable batteries and other recyclable items; power off office equipment such as computers, photocopiers and scanners after work; divide the office into different lighting areas, and set independently controllable lighting switches; in winter and summer, limit air conditioning temperatures; encourage employees to travel with low carbon.



Water conservation

Choose water-saving sanitary ware; install direct drinking water system to replace bottled water and improve water use efficiency; reduce the use of plastic packaging materials; reduce the water pressure; regularly check for any leakage in shelter; recycle washing sewage for cleaning and irrigation.



Paperless office

Fully use the online office platform, realize online approval process, cancel unnecessary paper receipts and documents, and comprehensively improve office efficiency by informatization means; conduct double-sided printing and reuse of paper, call on all staff to save paper. Encourage the use of online video conferencing, reduce unnecessary travel and time costs, and reduce greenhouse gas emissions caused by travel and transportation.



Energy conservation publicity

Strengthen daily energy conservation awareness and energy use supervision and inspection.

Green awareness

Bairong Inc. actively guides employees to turn their demand for building a beautiful green home into practical actions to protect the ecological environment and jointly create a good atmosphere for everyone to participate in protecting the ecological environment. The Company actively carries out energy conservation awareness and education, makes full use of TV, newspapers, publications, lectures and other publicity tools, actively publicizes energy conservation principles, policies, laws, regulations, standards and scientific knowledge, promotes advanced models of energy conservation, and educates employees to improve their awareness and concept of energy conservation. Multiple posters in the workplace promote the saving of electricity, paper and water.

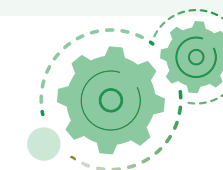


Improving the efficiency of resource utilization

Bairong Inc. always pays attention to the resources and energy management, constantly improves resource utilization efficiency, and realizes a win-win situation that creates economic benefits and environmental protection.

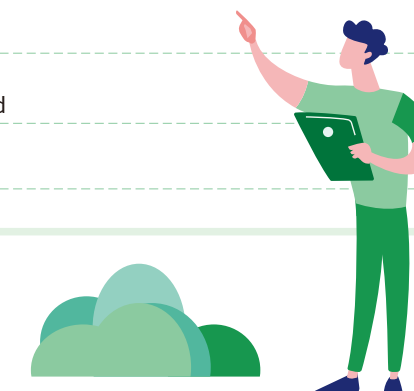
2024

Water consumption **1,073.60** m³ Power consumption **799,117.67**^② kWh



A green data center has been established where the Company was using more than 100 cabinets as of the end of 2024. The Company includes indicators such as security, stability and economy, as well as energy efficiency technologies and performance such as the source of energy used by the data center and cooling technologies, in the consideration of data center service providers, and regularly monitors the indicators of power usage efficiency (PUE) and carbon emission intensity of the data centers. Through data migration to the cloud, the Company reduces power consumption greatly compared to heavy infrastructure facilities, and encourages data center service providers to fulfill their environmental responsibilities and pursue sustainability.

- ▶ Five-star green telecommunication data center;
- ▶ Passed ISO27001 information security system certification;
- ▶ Backup data center for natural disaster response on the national level and designated server rooms for finance and securities;
- ▶ Water leakage alarm system and liquid leakage detection system;
- ▶ Chiller equipped with plate heat exchanger, and the chiller can be kept off as the temperature is below 6°C; closed cold aisle in the machine room and vent air through the hot aisle to make effective use of energy;
- ▶ Environmental status monitoring such as temperature and humidity and water leakage between air conditioners;
- ▶ High-level data center T3+;
- ▶ High-precision air conditioners for water-cooled server rooms; and
- ▶ 7×24 power monitoring system.



Scientifically reducing pollution emissions

Bairong Inc. abides by the Environmental Protection Law of the People's Republic of China and other applicable environmental laws, regulations and national standards, and carries out tasks related to waste management.

The harmful waste generated by the Company consists mainly of waste batteries, waste toner cartridges, ink cartridges, and lamps from daily office activities; harmless waste is mainly waste paper, plastics and household waste, etc. These harmful wastes and harmless wastes are entrusted to professional firms for recycling and treatment. At the same time, the Company strictly abides by the Regulations of Beijing Municipality on Supervision of Household Waste Sorting, and has installed specialized collectors for food, recyclable and other waste on each floor of office premises. In 2024, the Company cleared 21 barrels of waste per month. In addition, the Company also puts up posters to encourage employees to sort and recycle garbage. Used electronic products are stored separately.



Active combat with climate change

Global climate change has led to frequent extreme events, ecological degradation, air, soil, water and other environmental problems, posing a serious threat to the survival of mankind. With the increasingly severe global climate problems, Bairong Inc. understands its responsibilities in dealing with climate change. Bairong, Inc. is aware of these challenges to its business and operations brought by environmental and climate change risks, and proactively identifies climate change risks and seizes opportunities to better the Company's operations and development. We conduct climate change risk management based on the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), managing and disclosing from four aspects: governance, strategy, risk management, indicators and targets, to reduce the negative impact of climate change on the Company.

■ Governance

The Board of Directors is responsible for researching, deciding, and supervising the progress of Company's ESG risk management and other major matters, including the supervision and guidance of climate risk issues.

■ Strategy

In order to actively respond to the national "carbon peaking and carbon neutrality" goals, Bairong Inc. is committed to operating technology in the R&D of green and low-carbon products and promoting the green transformation in the financial sector. The Company has always practiced the philosophy of green and low-carbon operation, reduced energy consumption and strengthened its own management of energy conservation and emission reduction. The Company actively responds to the concerns of all parties, such as providing green financial services for clients and meeting the needs of investors for sustainable development. In addition, the Company has continuously increased the monitoring and management of greenhouse gas emission sources in its daily operations. Through these efforts, the Company has made continuous progress on the road to green and low-carbon operation and development and contributed to achieving "carbon peaking and carbon neutrality" goals.



❖ Risk management

❖ Climate risk management

Climate-related risks			Measures
Physical risks	Acute risks: Extreme weather	<ul style="list-style-type: none"> Company buildings and equipment might be damaged, causing asset loss; The physical security of data centers may be at risk, and the frequency and intensity of regional extreme weather events continue to increase, further exacerbating the likelihood and scope of impact of acute risk events; and Facility damage, service interruption or major equipment damage may directly or indirectly damage the continuity of business operations and economic interests. 	<ul style="list-style-type: none"> Develop emergency response plans for natural disasters and continuously improve emergency response measures for natural disasters; Identify possible damage to assets and procure necessary insurance; and Cooperate with data centers resilient to natural disasters to reduce losses associated with acute weather events.
	Chronic Risks: Lasting heatwave drought, etc.	<ul style="list-style-type: none"> Higher temperature may result in the need for more cooling equipment, increasing operational cost; and The rise in sea level may have an impact on data centers in coastal areas. 	<ul style="list-style-type: none"> Equipped with more energy-efficient cooling technology and system; and Continue to aid companies in going green to mitigate associated climate change risks.
Transformation risk	Policies and law risks	<ul style="list-style-type: none"> New policies, regulations, regulatory policies and taxes may increase the Company's compliance costs and related litigation or claims may also increase in numbers. 	<ul style="list-style-type: none"> Pay close attention to changes in environmental laws, regulations and policies and respond timely.
	Technical risks	<ul style="list-style-type: none"> Failure to identify and apply emerging technologies such as low-carbon technologies and AI in a timely manner may lead to greater climate-related risks in businesses. 	<ul style="list-style-type: none"> Boost R&D capabilities through measures such as training and retention of talents.
	Market risk	<ul style="list-style-type: none"> Data centers may be affected by climate change, which will lead to higher costs and indirectly increase the Company's costs; and The change of client preference may increase the attention to green and low-carbon products. 	<ul style="list-style-type: none"> Seek suppliers less affected by climate change; and Actively develop green and low-carbon products, track market trends and meet consumer demand.
	Reputation risks	<ul style="list-style-type: none"> Poor performance in combating climate change and sustainable development giving rise to negative feedbacks from associated stakeholders. 	<ul style="list-style-type: none"> Boost sustainable development of the Company and actively combat climate change; and Improve the transparency of associated management systems and respond to stakeholders' concerns.

❖ Climate risks and opportunities

Climate-related opportunities		Measures
Products and services	<ul style="list-style-type: none"> R&D of green and low-carbon products; and Solutions to tackle climate change within the industry. 	<ul style="list-style-type: none"> Actively develop and apply new technology; Monitor and respond to government supportive policies and green programs; Strengthen R&D in green and low-carbon products, and constantly expand the proportion of green and low-carbon business; and Monitor and participate in the emerging markets.
Market	<ul style="list-style-type: none"> Shifting user preferences giving rise to greater green market demands; and Increased demand for green loans. 	
Adaptability	<ul style="list-style-type: none"> Select data centers that are less prone to climate change to ensure data privacy, security and business continuity. 	

❖ Indicators and targets

In 2024, the greenhouse gas emissions of Bairong Inc. were mainly carbon dioxide. The statistical scope includes Scope I and II and does not yet include Scope III. The Company mainly focuses on promoting and urging employees, suppliers, and other partners to save energy and reduce emissions.

2024

Total greenhouse gas emission **428,806.54** tCO₂e

◆ Emission in scope I **0** tCO₂e

◆ Emission in scope 2 **428,806.54** tCO₂e



Appendix 1: Key Performance

Part I: Environment

Indicator	Unit	2024
Water consumption	m ³	1,073.60
Water consumption intensity	m ³ /RMB 1 million revenue	0.37
Power consumption	kWh	799,117.67
Electricity consumption intensity	kWh/RMB 1 million revenue	272.80
Total greenhouse gas emission	t CO ₂ e	428,806.54
Emission in scope 1	t CO ₂ e	0
Emission in scope 2	t CO ₂ e	428,806.54
GHG emission intensity	tCO ₂ e/RMB 1 million revenue	146.39

Part II: Society

Indicator	Unit	2024
Total number of new employees	Person	450
By gender structure: Male	Person	265
Female	Person	185
By recruitment channel: Fresh graduate	Person	54
Social recruitment	Person	396
Labour contract signing rate	%	100
Total number of employees	Person	1,445
Employees from minority groups	Person	64
Employees from disabled group	Person	2
Labor dispatched employees	Person	11



Indicator	Unit	2024
By geographical distribution: Mainland China	Person	1,440
Hong Kong, Macao	Person	4
Overseas	Person	1
By gender structure: Male	Person	795
Female	Person	650
By age structure: 35 years old and below	Person	1,016
36-50 years old (inclusive)	Person	413
Over 50 years old	Person	16
By discipline: Sales personnel	Person	362
Technician	Person	755
Financial personnel	Person	53
Administrative personnel	Person	156
Other	Person	119
By educational background: Doctor	Person	9
Graduate	person	355
Undergraduate and below	person	1,081
Labour contract signing rate	%	100
Turnover rate of employees	%	23
Employee satisfaction score	Score	4.84 (5 points as full marks)
Number of employees participating in the survey	Person	533
Number of accidents among employees in the workplace	Item	0
Work injury rate	%	0
Number of work-related deaths	Person	0
Proportion of work-related deaths	%	0
Number of working days lost due to work-related injuries.	Hour	0
Fund investment in assisting employees with difficulties	RMB ten thousand	34.6
Training expense	RMB ten thousand	86
Number of training sessions held	Session	504

Indicator	Unit	2024
Coverage rate of employees receiving training	%	98
Proportion of male employees receiving training	%	98
Proportion of female employees receiving training	%	98
Proportion of senior management employees receiving training	%	99
Proportion of middle management receiving training	%	97
Proportion of basic employees receiving training	%	99
Average training hours of employees	Hour	65
Average training hours per male employee	Hour	58.1
Average training hours per female employee	Hour	72.3
Average training hours per senior management employee	Hour	63.3
Average training hours per middle management employee	Hour	72.8
Average training hours per basic employee	Hour	59.5
Investment in social welfare activities	RMB ten thousand	18
Number of volunteers	Person	139
Total duration of volunteers (or employees) participating in public welfare activities	Hour	150
Scope and number of beneficiaries	Person	934
R&D investment amount	RMB	509,290,000
Proportion of R&D investment in main business revenue	%	17
Cumulative patents and software copyrights	Item	319

► Part III: Governance

Indicator	Unit	2024
Holding Board of Shareholders	Times	1
Meetings of the Board of Directors	Times	4
Meetings of the Audit Committee	Times	2
Meetings of Corporate Governance Committee	Times	3
Meetings of the Remuneration Committee	Times	4
Meetings of the Nomination Committee	Times	2
Members on the Board of Directors	Person	8
Coverage of in-service director training	%	100

🌱 Appendix 2: Indicator Index

► Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited

Main categories, levels, general disclosure and key performance indicators		Section
A: Environment		
A1: Emissions		
General disclosure	For the emission of waste gas and greenhouse gases, the discharge of pollutants into water and land, the generation of harmful and harmless wastes, etc.: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer.	Actively combat climate change
A1.1	Types of emissions and related emission data.	N / A
A1.2	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions (calculated in tons) and (if applicable) density (e.g. calculated per production unit and per facility).	Actively combat climate change
A1.3	Total amount of harmful wastes generated (calculated in tons) and (if applicable) density (e.g. calculated per production unit and per facility).	N / A
A1.4	Total amount of harmless wastes generated (calculated in tons) and (if applicable) density (e.g. calculated per production unit and per facility).	N / A
A1.5	Describe the emission objectives set and the steps taken to achieve such objectives.	Actively combat climate change
A1.6	Description of the method to dispose of hazardous and harmless wastes, waste reduction objectives set and the steps taken to achieve such objectives.	Scientifically reduce pollution emissions
A2: Use of resources		
General disclosure	Policies for the effective use of resources (including energy, water and other raw materials).	Improve the efficiency of resource utilization
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (0,000 kWh) and intensity (e.g. calculated per production unit and per facility).	Improve the efficiency of resource utilization
A2.2	Total water consumption and density (e.g. calculated per production unit and per facility).	Improve the efficiency of resource utilization

A2.3	Describe the energy use efficiency goal and the steps taken to achieve such goal.	Improve the efficiency of resource utilization
A2.4	Description of any problems in obtaining the applicable water sources, the water use efficiency objectives set and the steps taken to achieve such objectives.	Improve the efficiency of resource utilization
A2.5	Total packaging material used for finished products (in ton), and, if applicable, proportion of per production unit	N / A
A3: Environment and natural resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Promoting the transition to green finance
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting the transition to green finance
A4: Climate change		
General disclosure	Policies to identify and respond to major climate-related issues that have and may have an impact on the issuer.	Actively combat climate change
A4.1	Description of major climate-related issues that have and may have an impact on the issuer and actions.	Actively combat climate change
B: Society		
B1: Employment		
General disclosure	For remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other salaries and welfare: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer.	Legal employment with diversity and inclusion Firmly practice employee care
B1.1	Total employees by gender, employment type (full time or part-time), age group and region.	Legal employment with diversity and inclusion
B1.2	Turnover rate of employees by gender, age group and region	Legal employment with diversity and inclusion

B2: Occupational health and safety		
General disclosure	For providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer. Types of emissions and related emission data.	Firmly practice employee care
B2.1	Number and proportion of occupational deaths in each of the past three years (including the reporting year)	Firmly practice employee care
B2.2	Number of working days lost due to work-related injuries.	Firmly practice employee care
B2.3	Describe occupational health and safety measures adopted, how they are implemented and monitored	Firmly practice employee care
B3: Development and training		
General disclosure	Policies on improving employees' knowledge and skills in performing their responsibilities.	Platform empowering employee development
B3.1	Percentage of trained employees by gender and category (such as senior management and middle management)	Platform empowering employee development
B3.2	Average training hours of employees by gender and category.	Platform empowering employee development
B4: Labor environment		
General disclosure	For the prevention of child or forced labor: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer.	Legal employment with diversity and inclusion
B4.1	Description of measures to review employment practices to avoid child and forced labour	Legal employment with diversity and inclusion
B4.2	Description of the steps taken to eliminate violations when they are found.	Legal employment with diversity and inclusion
B5: Supply chain management		
General disclosure	Manage environmental and social risk policies of supply chain.	Build a sustainable supply chain
B5.1	Number of suppliers by region	N/A
B5.2	Describe practices relating to engaged suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.	Build a sustainable supply chain
B5.3	Describe the practices of identifying environmental and social risks in each link of the supply chain and the implementation and monitoring methods.	Build a sustainable supply chain
B5.4	Describe practices of promoting the use of environment-friendly products and services during the selection of suppliers, and relevant implementation and monitoring methods.	Build a sustainable supply chain

B6: Product responsibility		
General disclosure	For the health and safety, advertising, labeling and privacy matters of the products and services provided and the remedies: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer.	Adhere to the standard and create extraordinary quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N / A
B6.2	Number of complaints about products and services received and countermeasures.	N / A
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Fully protect intellectual property rights
B6.4	Description of quality assurance process and recall procedures.	Adhere to the standard and create extraordinary quality
B6.5	Describe consumer data protection and privacy policies, how they are implemented and monitored.	Escort customers with privacy protection
B7: Anti-corruption		
General disclosure	For the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) The information about the compliance with relevant laws and regulations that have a significant impact on the issuer.	Strengthening the defense line of business ethics
7.1	Number of corruption litigation cases filed against the issuer or its employees and concluded during the reporting period and litigation results.	Strengthening the defense line of business ethics
7.2	Describe preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Strengthening the defense line of business ethics
7.3	Description of the anti-corruption training provided to the board of directors and employees.	Strengthening the defense line of business ethics
B8: Community investment		
General disclosure	Policies on community participation to understand the needs of the community in which it operates and ensure that business activities consider the interests of the community.	Persistently support public welfare
B8.1	Focus on contribution categories (such as education, environmental matters, labor needs, health, culture and sports).	Persistently support public welfare
B8.2	Resources (such as money or time) contributed to focusing categories.	Persistently support public welfare

Appendix 3: Feedback Form

Dear readers:

Thank you for reading the Environmental, Social and Governance (ESG) Report of Bairong Inc. in 2024. We sincerely look forward to your comments and suggestions on the report and our work. You can provide your valuable comments by mailing or scanning and emailing the completed questionnaire to us. Thank you!

Address: Global Creative Plaza, No. 10 Fuyong Street, Wangjing, Chaoyang District, Beijing

Postal code: 100102

Email: ir@brgroup.com

1. Which category of stakeholders does your organization belong to in relation to Bairong Inc.:

☐ Internal management ☐ Shareholders/investors ☐ Internal employees ☐ Suppliers/partners

☐ Customers and potential customers ☐ Government and supervisory authorities ☐ Community ☐ Experts and scholars ☐ Non-governmental organizations

☐ Public ☐ Others (Please specify)

2. Is the information you are concerned about reflected in this report?

☐ Yes ☐ General ☐ No

3. Your overall evaluation of the 2024 Environmental, Social and Governance (ESG) Report:

•Readability (clear and understandable expression, aesthetically pleasing design, engaging and easy to find the needed information)

☐ 3 points (good) ☐ 2 points (average) ☐ 1 point (poor)

•Credibility (the information in the report is trustworthy)

☐ 3 points (good) ☐ 2 points (average) ☐ 1 point (poor)

•Information completeness (balanced positive and negative information and meeting your information needs)

☐ 3 points (good) ☐ 2 points (average) ☐ 1 point (poor)

4. Can you easily find the information what you are concerned about in this report?

☐ Yes ☐ General ☐ No

5. Besides the content already disclosed in this report, what other information would you like to see?