Zhongmiao Holdings (Qingdao) Co., Ltd.
眾淼控股(青島)股份有限公司

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

Stock Code: 1471

2025
ANNUAL REPORT

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lu Yao *(Chairman)*
Zhang Zhiquan
Li Tian
Wang Heping

Independent non-executive Directors

Fang Qiaoling
Chung Wai Man
Ng Sin Kiu

SUPERVISORS

Zhu Rongwei
Wang Jiesi
Wang Yangyang

AUDIT COMMITTEE

Chung Wai Man *(Chairman)*
Fang Qiaoling
Ng Sin Kiu

REMUNERATION COMMITTEE

Fang Qiaoling *(Chairlady)*
Chung Wai Man
Li Tian

NOMINATION COMMITTEE

Lu Yao *(Chairman)*
Ng Sin Kiu
Fang Qiaoling

JOINT COMPANY SECRETARIES

Chan Sau Ling
Sun Yanlu

AUTHORISED REPRESENTATIVES

Lu Yao
Chan Sau Ling

REGISTERED OFFICE

No. 187 Jinshui Road
Licang District
Qingdao, Shandong
PRC

HEADQUARTERS

No. 1, Haier Road
Laoshan District
Qingdao, Shandong
PRC

COMPANY INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

China Construction Bank Corporation
Qingdao Haier Road Branch
Zhonghan Street, Haier Road
Laoshan District
Qingdao, Shandong Province
PRC

STOCK CODE

1471

COMPANY WEBSITE

www.haierbx.net

COMPLIANCE ADVISER

Ping An of China Capital (Hong Kong) Company Limited
Units 3601, 07 & 11–13
36/F, The Center
99 Queen's Road Central
Hong Kong

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

HONG KONG LEGAL ADVISER

Norton Rose Fulbright Hong Kong
38/F, Jardine House
1 Connaught Place
Central
Hong Kong

FINANCIAL HIGHLIGHTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Year ended 31 December			
	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**248,051**	205,827	174,011	148,398
Profit for the year	**56,891**	46,225	38,993	36,349
Attributable to:				
Equity shareholders of the Company	**51,700**	46,657	40,372	37,776
Non-controlling interests	**5,191**	(432)	(1,379)	(1,427)

Consolidated Statement of Financial Position	As at 31 December			
	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	**359,551**	145,953	140,665	9,191
Total current assets	**673,802**	489,440	249,287	317,909
Total current liabilities	**(114,807)**	(37,021)	(26,733)	(34,073)
Total non-current liabilities	**(180,784)**	–	–	–
Total equity	**737,762**	598,372	363,219	293,027
Total equity attributable to equity shareholders of the Company	**632,837**	600,195	365,210	293,639
Non-controlling interests	**104,925**	(1,823)	(1,991)	(612)

KEY FINANCIAL RATIOS	Year ended 31 December/As at 31 December			
	2025	2024	2023	2022
Gross profit margin(1)	**36.6%**	38.3%	42.8%	45.3%
Net profit margin(2)	**22.9%**	22.5%	22.4%	24.5%
General and administrative expenses ratio(3)	**8.3%**	8.0%	10.7%	8.7%
Selling expense ratio(4)	**2.6%**	4.3%	6.8%	6.7%
Current/quick ratio(5)	**5.9 times**	13.2 times	9.3 times	9.3 times
Asset-liability ratio(6)	**28.6%**	5.8%	6.9%	10.4%

Notes:

(1) Gross profit margin was calculated based on gross profit divided by revenue for the relevant year.

(2) Net profit margin was calculated based on net profit divided by revenue for the relevant year.

(3) General and administrative expenses ratio was calculated based on the general and administrative expenses divided by the revenue for the relevant year.

(4) Selling expense ratio was calculated based on sales and marketing expense divided by revenue for the relevant year.

(5) Current/quick ratio was calculated based on total current assets divided by total current liabilities.

(6) Asset-liability ratio was calculated based on the total liabilities divided by total assets.

CHAIRMAN'S STATEMENT

Dear Shareholders,

We are committed to becoming China's leading ecosystem-based fintech service platform, adhering to the differentiated model of "technology + scenario + ecosystem" to support the continuous iteration of user experience. In 2025, by strategically acquiring a controlling stake in Beijing Kechuang Rongxin Technology Co., Ltd. (北京科創融鑫科技股份有限公司) ("**Kechuang Rongxin**"), the hidden champion in the RMB circulation management sub-track, we successfully constructed a coordinated development pattern of dual business lines: insurance distribution and fintech services. This achieved a key strategic upgrade from professional insurance distribution to a comprehensive fintech platform.

Facing the market environment of adjustments in the insurance intermediary industry, the Company achieved contrarian growth through ecological co-creation, scenario innovation, and technology empowerment. From 2021 to 2025, the total premium facilitated by the Group grew from RMB670 million to RMB1,780 million, representing a compound annual growth rate of 27.7%. For the year ended 31 December 2025, the Group reported operating revenue of RMB248.1 million, an increase of approximately 20.6% as compared with the corresponding period last year; while net profit reached RMB56.9 million, an increase of approximately 23.2% as compared with the corresponding period last year. The total premiums, operating revenue, and net profit of the Company all achieved rapid year-on-year positive growth. The ecological layout of the Company was continuously improved, technological capabilities were steadily enhanced, and the platform value was significantly strengthened.

For the year ended 31 December 2025, the net cash flows generated from operating activities of the Company amounted to RMB89.2 million, which was 1.6 times the net profit and represented a significant period-on-period growth of 196.3%, demonstrating strong and high-quality cash generation capabilities.

OUTLOOK

We will continue to take “technology + scenario + ecosystem” as our core development philosophy, deepen the boundless ecological co-creation model , integrate high-quality resources from multiple fields such as insurance, banking, and technology, expand ecosystem boundaries and service scenarios, and promote the coordinated development of dual business lines of insurance distribution and fintech, as well as ecosystem interoperability. Relying on our resource integration capabilities and differentiated business model , we will drive the extension of ecosystem services to all-scenario services for lifelong users , continuously enhance the platform’s ecological value and industry influence, and steadily stride towards the long-term goal of becoming China’s leading ecosystem-based fintech service platform.

(1) Deepening the core business of insurance distribution to build an all-scenario ecosystem-based distribution platform

① Continuously deepening scenario innovation: Centring on the diversified and personalised needs of corporate users and household users, we will further explore the depth and breadth of existing scenarios. Meanwhile, we will actively explore new scenarios such as corporate risk management, health, and retirement planning, create more high-stickiness and high-quality characteristic scenarios , and continuously expand the room for growth in scenario customisation. Using scenario customisation as a link, we will attract more high-quality insurance companies to become strategic channel partners , build a more competitive and vibrant insurance ecosphere , and achieve scenario-based full coverage of insurance distribution.

② Optimising channel and service systems: On the channel side, adhering to the core philosophy of “Collaboration and Creating Mutual Benefits” , we will start from niche industries, actively expand strategic channel cooperation, deeply participate in industry ecological co-creation , accurately grasp business pain points and market opportunities in segmented fields, build a highly competitive cooperation model, and continuously expand market coverage. On the service side, we will continue to build a highly educated, high-quality, highly professional, and high-value-added professional service team, while iteratively upgrading digital service tools such as intelligent claims processing, policy management, and intelligent risk control. Supported by professional services and technology empowerment , we will build a full-lifecycle lifelong user ecological service system.

(2) Strengthening the core capabilities of "AI+" technology to build an industry-leading fintech platform

The Company will continue to strengthen its technology capability export business, focusing on banks, insurance companies, and various corporate clients, to provide them with digitalised system construction, optimisation and upgrading, and technological capability empowerment, helping clients build a robust and efficient digital foundation.

① Accelerating technological innovation breakthroughs in insurance tech: The Company will continue to increase its investment in AI technology innovation. In the field of risk mitigation, it will continuously cultivate the Zhongmiao Anshu intelligent prevention system, focusing on breakthroughs in core algorithm models such as risk assessment, intelligent disposal, and predictive alerts. It will build an industry knowledge base, intelligent inspection standards, a risk classification and grading system, and a typical case library, promoting the upgrade of risk governance from "passive response" to "proactive prediction and precise disposal", and accelerating the large-scale implementation of risk mitigation warehouses. Centred on large AI models and agent technology, it will construct a comprehensive employee benefits agent, create an AI agent matrix covering the entire process of underwriting, claims, and services, achieve iterative upgrades to the existing intelligent insurance and fast claims system, and promote an intelligent, automated, and one-stop upgrade of insurance services, reshaping the customer service experience. It will deeply integrate technology-driven insurance and risk management to comprehensively enhance the core competitiveness and industry leadership of insurance tech.

② Expanding and strengthening the banking tech business: We will continue to consolidate the core business of technology-empowered RMB circulation management, complete the continuous optimisation and nationwide coverage of information technology application innovation versions of core systems such as the commercial bank currency Logistics and counterfeit prevention system. We will further expand the regional scope of professional currency sorting services to enhance workforce efficiency and profit margins; continuously advance the construction and optimisation of the regional off-site sorting centre model, improve co-creation efficiency with partners such as commercial banks and the People's Bank of China , and consolidate the Company's industry-leading position in the field of RMB circulation management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Adhering to Ecological Genes and Building an Ecosystem System of Collaboration and Creating Mutual Benefits

The Company focuses on building a boundless, all-scenario business model of co-creation of ecosystems. On the one hand, we integrate high-quality resources from more insurance companies to build a comprehensive insurance ecosphere, realising deep resource integration and diversified supply of insurance products, and construct a lifelong user ecological service system. On the other hand, through acquiring a controlling stake in Kechuang Rongxin, we added two major business lines: digitalised financial asset-related software and hardware products, and digitalised financial asset outsourcing process management services. This achieves collaborative co-creation with new ecological partners such as the People's Bank of China, and financial escort companies, successfully completing the upgrade from an insurance ecosystem to a financial ecosystem model. Under the ecological co-creation model, the insurance ecosphere and financial ecosphere achieve resource interoperability and capability synergy, laying a solid ecological foundation for the coordinated development of the Company's dual business lines.

Focusing on Scenario Innovation to Build an All-Scenario Customised Insurance Distribution System

Insurance distribution, as the starting point of the Company's business, took scenario innovation as the starting point during the reporting period, achieving contrarian growth in scale against the industry background of the "unity of reporting and action (報行合一)" policy. For the year ended 31 December 2025, our commission income generated from insurance agency business was approximately RMB211.3 million, an increase of approximately 12.6% as compared with the corresponding period last year. The Company builds multi-dimensional innovative scenarios around the personalised needs of different industries on the corporate side and different user groups on the family side. We deepen characteristic scenarios such as the corporate insurance interactive service platform, photovoltaic scenarios, and corporate employee service scenarios, continuously expanding the growth space for scenario customisation.

The Company's corporate insurance interactive service platform continues to cultivate corporate-side business scenarios, iteratively upgrading the product ecosystem around the diversified and fragmented insurance needs of corporate users to enrich the product supply dimensions. Meanwhile, relying on the ecological co-creation model, we attract numerous high-quality partners to join, continuously perfecting the platform's ecological layout. This effectively addresses industry pain points such as single corporate insurance procurement channels and high premium, as well as the difficulty and high cost of acquiring customers for insurance companies, achieving two-way empowerment for both enterprises and insurance companies. For the year ended 31 December 2025, the platform demonstrated outstanding performance, contributing to insurance premium of approximately RMB94.2 million, an increase of approximately 84.0% as compared with the corresponding period last year, and revenue increased by approximately 75.6% as compared with the corresponding period last year, achieving a rapid growth in both premium and revenue.

Rural distributed photovoltaic scenarios present multi-dimensional risks such as equipment, natural, liability, and personal risks due to the open-air layout of photovoltaic equipment, reliance on the natural environment, and multiple attributes involving electrical operation and the association of property and personal safety. Addressing these risk points, the Company customises an all-scenario, fully-covered exclusive insurance solution for users, which includes comprehensive risk protection for photovoltaic equipment assets, users' family assets, and third-party personal and property safety, systematically resolving the risk pain points across the entire process of the photovoltaic business. For the year ended 31 December 2025, it achieved a premium increase of approximately RMB12.6 million, representing an increase of approximately 380.3% as compared with the corresponding period last year. This scenario not only achieves rapid growth in premium scale but also reflects the ESG practice and social responsibility of insurance services providers in assisting rural green and low-carbon development.

Strengthening Technology Empowerment to Build a Dual-Wheel Driven System of Insurance Technology and Banking Technology

Driven by technology as the core force, the Company advances the full-dimensional digitalisation of products, services, and management. At the same time, we have completed the strategic upgrade of fintech, constructing a dual business landscape of "insurance technology + banking technology" to create the Company's second growth curve.

In the field of insurance technology, we deeply integrated artificial intelligence into all insurance scenarios. On the one hand, by empowering a new model of warehouse risk reduction service with AI, we successfully developed the "Anshu Intelligent Prevention System (安樞智防系統)" and implemented model risk reduction warehouses, promoting the shift of risk governance from "ex-post compensation" to "ex-ante prevention" to realise a closed-loop management of risks that is "perceptible, quantifiable, and intervenable". The system encompasses three major modules: intelligent IoT perception, AI intelligent inspection, and a risk super-brain hub. Through real-time monitoring by intelligent devices, automatic identification of hidden dangers via AI imaging, and multi-source data fusion management, it comprehensively enhances the insurability of warehouse targets and the sustainability of corporate operations. This business emerged as a high potential growth driver for the insurance technology segment and laid the foundation for the large-scale implementation of risk reduction services. On the other hand, we comprehensively upgraded the "Zhonghui Bao (眾慧保)" platform within the intelligent insurance fast-claims system, vigorously strengthening our intelligent claims service capabilities. Relying on the Zhongmiao AI Brain, we achieved the intelligent automatic collection of claims bills with an identification accuracy rate exceeding 99%. At the core, we built a high-level automated adjustment capability, with claims assessment and adjustment covering over 80% of cases, supporting second-level payouts. By virtue of its AI-driven innovative application in the field of insurance services, this system won the "Qingdao Financial Innovation Achievement (青島市金融創新成果)" award. The Company comprehensively empowers the entire link of the insurance business with intelligent technology to improve quality and efficiency, significantly enhancing operational efficiency and customer experience.

In the field of banking technology, we drive business development with a "dual-focus" dual-wheel approach. On the one hand, focusing on our positioning as a "digital financial asset management expert", we continuously upgrade and transform the RMB circulation management system, completing the product optimization of the IT application innovation versions of the commercial bank currency logistics and counterfeit prevention system; on the other hand, focusing on our positioning as a "digital financial asset process expert", we enhanced the personnel efficiency of professional currency clearing and sorting services, actively expanded newly added service areas, and completed the upgrade from the traditional on-site clearing and sorting model to regional "off-site clearing and sorting centres", achieving collaborative co-creation with multiple banks – including state-owned banks, joint-stock banks, key city commercial banks, and rural commercial banks – as well as central bank vaults within the serviced regions.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

Market Overview of the Insurance Industry

In 2025, according to statistics from the National Financial Regulatory Administration, the national primary insurance premium income was approximately RMB6.12 trillion, representing a year-on-year increase of approximately 7.4%. The industry continued to maintain a development trend of steady growth, structural optimisation, and controllable risks. At the regulatory level, industry governance was continuously deepened to guide the insurance industry to return to its protection roots. The policy of "aligning sales practices with regulatory filings" was steadily implemented to standardise the consistency between the filing of insurance clauses and premium rates and actual operational behaviours, promoting rational competition, cost reduction and efficiency enhancement, and quality improvement and expansion within the industry. The industry's overall solvency was sufficient, and its operations were sound. The functions of risk protection and social management continued to be exerted, laying a solid foundation for the long-term healthy development of the industry.

Market Overview of the Insurance Intermediary Industry

As a core hub connecting insurance companies and consumers, the value of insurance intermediaries continued to be highlighted during the industry's transformation, becoming a core force in channel upgrading and service upgrading. According to the latest data included in the "Almanac of China's Insurance", in 2024, the professional insurance intermediary channel realised a premium income of approximately RMB962.23 billion, representing a year-on-year increase of approximately 10.4%, maintaining steady and relatively fast development. The market influence of the professional intermediary channel continued to increase. Guided by the regulatory policies of "clearing out the unqualified and improving quality" and "aligning sales practices with regulatory filings", the industry continuously standardised market order, cleared out non-compliant operating entities, and promoted the industry's transformation towards professionalisation, standardisation, and digitalisation, boosting the high-quality development of the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Drivers of the Insurance Intermediary Industry

Product Integration and Customisation: It can integrate products from multiple insurance companies, breaking through the limitations of single insurance products, to provide clients with more comprehensive, suitable, and cost-effective customised comprehensive risk solutions. This helps to alleviate the problem of incomplete and asymmetric insurance information.

Professional Process Services: Focusing on full-lifecycle user services, it provides full-chain services such as risk diagnosis, solution customisation, insurance application assistance, renewal management, and claims assistance. This is conducive to reducing clients' decision-making costs for insurance applications, improving insurance application efficiency and claims experience, and strengthening client stickiness.

Efficiency Enhancement through Technology Empowerment: Driven by technology empowerment, service processes are optimised through online and intelligent tools to achieve the full-process digitalisation of insurance applications, policy management, and claims services, continuously enhancing service efficiency and user experience.

Diversified Channel Synergy: Covering diversified channels such as individual, corporate, and internet, it precisely reaches different client groups, becoming an important carrier for insurance companies to expand segmented markets, efficiently acquire clients, and provide precise services.

The Company adheres to the differentiated model of "technology + scenario + ecosystem", collaborating with multiple leading insurance companies to cover a full range of products, including property insurance, liability insurance, pension insurance, life insurance, health insurance, and accident insurance, to satisfy the all-round risk protection needs of corporate and household clients. Meanwhile, the Company continues to advance the full-process digitalised upgrade from insurance applications to policy management and claims services, continuously iterating user experience. From 2021 to 2025, the total premium facilitated by the Group grew from RMB670 million to RMB1,780 million, representing a compound annual growth rate of 27.7%, with the business scale steadily increasing. Looking ahead, the Company will continue to strengthen its advantages in products, services, and technology, deepen the boundless ecological co-creation model, deeply cultivate scenario innovation, expand segmented fields, and upgrade the service system, achieving a dual enhancement of premium scale and social value.

Source: "Almanac of China's Insurance", public data from the National Financial Regulatory Administration.

Note: The "Almanac of China's Insurance" is published by the National Financial Regulatory Administration and is generally updated in the fourth quarter of each year. It contains data of the insurance industry in China for previous years. Therefore, the latest issue of "Almanac of China's Insurance" does not yet contain data for the year 2025.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 20.6% from approximately RMB205.8 million for the year ended 31 December 2024 to approximately RMB248.1 million for the year ended 31 December 2025.

Analysis of Revenue Breakdown	2025 RMB'000	2024 *RMB'000*	Change *%*
Insurance agency business			
Property insurance products	**90,988**	69,993	30.0%
Automobile insurance products	**62,755**	55,334	13.4%
Accident insurance products	**41,827**	38,213	9.5%
Life and health insurance products	**15,769**	24,153	(34.7%)
Total	**211,339**	187,693	12.6%
Finance technology services			
Banking technology services	**19,565**	–	N/A
Insurance technology services[(1)]	**17,018**	16,961	0.3%
Other services	**129**	1,173	(89.0%)
Total	**36,712**	18,134	102.4%
Total	**248,051**	205,827	20.6%

Note:

(1) This refers to the IT services offered to insurance company partners, insurance intermediaries and companies from different industries, by designing and developing digitalised solutions based on their needs.

Our commission income generated from insurance agency business increased by 12.6% from approximately RMB187.7 million for the year ended 31 December 2024 to approximately RMB211.3 million for the year ended 31 December 2025, primarily attributable to (i) the iterative upgrade of the Group's corporate insurance interactive service platform which introduced a wider range of property insurance products for customers' selection, thereby generating additional revenue; and (ii) new strategic channel partners which contributed to increased business volume, resulting in higher commission income from the distribution of property insurance, accident insurance, and automotive insurance products.

Our revenue generated from finance technology services increased by 102.4% from approximately RMB18.1 million for the year ended 31 December 2024 to approximately RMB36.7 million for the year ended 31 December 2025 mainly due to the revenue contribution from banking technology services after the acquisition of 55% equity interest (the "**Acquisition**") in Kechuang Rongxin. This business segment primarily includes software and hardware products related to the digitization of financial assets, as well as outsourced process management services. Software and hardware products related to the digitization of financial assets include the currency logistics management system and the RMB serial number circulation management system, along with related equipment such as currency logistics equipment, coin recycling machines, and portable handheld scanning terminals, which facilitate transactions between the central bank and commercial banks. Outsourced process management services refer to centralized, outsourced solutions for the digitization and clearing of RMB cash.

Gross Profit and Gross Profit Margin

Our overall gross profit increased by 15.4% from approximately RMB78.8 million for the year ended 31 December 2024 to approximately RMB90.9 million for the year ended 31 December 2025, primarily due to an increase in gross profit from insurance agency and the introduction of banking technology services due to the Acquisition.

Our overall gross profit margin decreased from approximately 38.3% for the year ended 31 December 2024 to approximately 36.6% for the year ended 31 December 2025, primarily due to changes in product structure.

Other Income

Other income decreased from approximately RMB10.7 million for the year ended 31 December 2024 to approximately RMB9.3 million for the year ended 31 December 2025, primarily due to an increase in foreign exchange losses.

Research and Development Costs

Our research and development costs increased from approximately RMB7.2 million for the year ended 31 December 2024 to approximately RMB8.6 million for the year ended 31 December 2025, mainly due to the increase in the number of research and development employees which led to higher labour costs.

General and Administrative Expenses

Our general and administrative expenses increased from approximately RMB16.4 million for the year ended 31 December 2024 to approximately RMB20.6 million for the year ended 31 December 2025, primarily due to incentivisation of the Company's management, resulting in increased personnel costs as well as higher depreciation and amortization expenses.

Sales and Marketing Costs

Our sales and marketing costs decreased from approximately RMB8.8 million for the year ended 31 December 2024 to approximately RMB6.4 million for the year ended 31 December 2025, primarily due to the optimization of business processes, improved organizational efficiency, and reduced marketing expenses.

Finance Costs

Our finance costs increased from approximately RMB0.2 million for the year ended 31 December 2024 to approximately RMB0.6 million for the year ended 31 December 2025, primarily due to an increase in interest expense on long-term bank loans.

Share of Profit of Associates

We recorded a share of profit of associates of approximately RMB0.4 million for the year ended 31 December 2025, compared to nil for the year ended 31 December 2024. This was due to profits generated from the associates in which new investments were made during the current year.

Income Tax

Our income tax decreased from approximately RMB10.7 million for the year ended 31 December 2024 to approximately RMB9.4 million for the year ended 31 December 2025.

Profit for the year

As a result of the foregoing, our profit for the year increased by 23.2% from approximately RMB46.2 million for the year ended 31 December 2024 to approximately RMB56.9 million for the year ended 31 December 2025. Our net profit margin was 22.4% and 22.9% for the years ended 31 December 2024 and 2025, respectively.

Financial Position

Items	**As at 31 December 2025 RMB'000**	As at 31 December 2024 *RMB'000*
Non-current assets	**359,551**	145,953
Current assets	**673,802**	489,440
Current liabilities	**114,807**	37,021
Non-current liabilities	**180,784**	–
Net assets	**737,762**	598,372

The Group's net assets increased from approximately RMB598.4 million as at 31 December 2024 to approximately RMB737.8 million as at 31 December 2025.

Inventories

Inventories primarily consisted of software and hardware products related to the digitization of financial assets. Our inventories were approximately RMB43.0 million as at 31 December 2025 (31 December 2024: nil). The increase was due to inventories acquired through the Acquisition.

Accounts and Bills Receivables

As at 31 December 2025, our accounts and bills receivables amounted to approximately RMB49.4 million (31 December 2024: approximately RMB42.0 million). This is primarily due to an increase in the Group's accounts receivables in tandem with its banking technology services.

Contract Costs and Other Assets

As at 31 December 2025, our contract costs and other assets amounted to approximately RMB16.0 million (31 December 2024: approximately RMB7.7 million), primarily due to increases in retention money, security deposits and performance costs in the insurance technology business.

Accounts and Other Payables

As at 31 December 2025, our accounts and other payables amounted to approximately RMB85.4 million (31 December 2024: approximately RMB26.9 million), primarily due to an increase in the accrued consideration resulting from the Acquisition.

Contract Liabilities

As at 31 December 2025, our contract liabilities amounted to approximately RMB16.8 million (31 December 2024: approximately RMB1.1 million), primarily due to an increase in prepayments for goods and service fees from customers related to the banking technology business.

Liquidity and Financial Resources

As at 31 December 2025, the net current assets of the Group amounted to approximately RMB559.0 million (31 December 2024: approximately RMB452.4 million). The Group's cash and cash equivalents and time deposits as at 31 December 2025 amounted to approximately RMB657.1 million (31 December 2024: approximately RMB568.6 million).

Items	**As at 31 December 2025** **RMB'000**	As at 31 December 2024 *RMB'000*
Cash and cash equivalents	**287,457**	169,721
Time deposits		
– Current assets	**274,309**	262,638
Time deposits		
– Non-current assets	**95,297**	136,282
Total	**657,063**	568,641

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

Gearing Ratio

As at 31 December 2025, the Group's gearing ratio was 12.2% (31 December 2024: not applicable), as part of the consideration for the Acquisition was settled by bank loans.

Bank Loans

As at 31 December 2025, the bank loans of the Group amounted to approximately RMB88.0 million (31 December 2024: nil), which is due to the utilization of bank loans to finance a part of the consideration for the Acquisition.

Contingent Liabilities

As at 31 December 2025 and 2024, the Group did not have any material contingent liabilities.

Pledge of Assets

As at 31 December 2025 and 2024, the Group did not have any pledge of assets.

Exposure to Foreign Exchange

The majority of the Group's subsidiaries are operating in the PRC with most of the transactions and assets denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Due to the simplicity of the Group's financial structure and current operations, save as aforementioned, no hedging activities are undertaken by management of the Group.

Capital Expenditures

During the year ended 31 December 2025, the Group incurred capital expenditures of approximately RMB1.5 million (2024: RMB11,000), the majority of which are related to the intangible asset expenses.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

On 22 August 2025, the Company as purchaser, Li Yanbai (李焰白) and Chai Hong (柴紅) as vendors (the "**Vendors**") entered into a share transfer agreement (the "**Agreement**"), pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate of 55% equity interest in the Kechuang Rongxin at the consideration of RMB165 million in cash, which is subject to adjustments in accordance with the terms of the Agreement. The Acquisition was completed on 24 October 2025. Kechuang Rongxin has become a non-wholly owned subsidiary of the Company and the results, assets and liabilities of Kechuang Rongxin have been consolidated into the financial statements of the Group. For further details, please refer to the announcement and circular of the Company dated 22 August 2025 and 25 September 2025, respectively.

Save as disclosed above, we did not have any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2025. As at 31 December 2025, we did not have any plans for any material investments or capital assets.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Lu Yao (鹿遙), aged 41, is our chairman of the Board, executive Director and general manager. He has been appointed as our general manager and Director since March 2017 and May 2018, respectively. Mr. Lu was re-designated as an executive Director on 14 March 2023. Mr. Lu is primarily responsible for the overall business management and corporate development of our Group. Mr. Lu is the chairman of our Nomination Committee. He is also the director and general manager of Zhongmiao Shujin, Zhongmiao Caizhi and Haier Insurance Agency, and serves as a director of Yunhai Lianji Technology and Zhong Miao Consulting Services (Hong Kong) Limited. Mr. Lu has served as chairman of Beijing Kechuang Rongxin Technology Co., Ltd. (北京科創融鑫科技股份有限公司) since 13 November 2025.

Mr. Lu has over 17 years of experience in the field of corporate, business management and human resources and over eight years of experience in the insurance intermediary industry. Mr. Lu began his career as a manager of the human resources department of Qingdao Haikeda Electronics Co., Ltd. (青島海科達電子有限公司) (formerly known as Qingdao Haier Electronics Co., Ltd. (青島海爾電子有限公司)), principally engaged in the production and sales of household electrical appliances from August 2007 to May 2011, where he was primarily responsible for staff training and human resources management. From June 2011 to January 2017, he joined Chongqing New Ririshun Home Appliance Sales Co. Ltd. (重慶新日日順家電銷售有限公司), a company primarily engaged in the sales of household electrical appliances, served as the director of the human resources department from June 2011 to August 2016 and as general manager of its Shanghai branch from September 2016 to January 2017. Both companies are under the Haier Group.

Mr. Lu obtained a bachelor's degree in electronic information science and technology from Qingdao University, the PRC (青島大學) in June 2007.

Mr. Zhang Zhiquan (張志全先生), aged 47, is our executive Director and deputy general manager. He was appointed as a Director on 10 May 2018 and re-designated as an executive Director on 14 March 2023. Mr. Zhang is primarily responsible for formulating and executing strategies for the household insurance business of our Group. He has served as our deputy general manager since May 2017. He also serves as a director and general manager of Yunhai Lianji Technology.

Mr. Zhang has over 22 years of experience in the insurance industry in the PRC. He was an audit commissioner of Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318), which is principally engaged in the provision of insurance services, and was primarily responsible for auditing from July 2002 to March 2006. From March 2006 to May 2016, he successively served as an officer of the audit department, a deputy general manager of comprehensive service department of telemarketing division and Internet business department of telemarketing division, and assistant to the general manager of strategic development department in Sunshine Property and Casualty Insurance Company Limited (陽光財產保險股份有限公司) a subsidiary of Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a company listed on the Stock Exchange (stock code: 6963), which is principally engaged in insurance businesses and was primarily responsible for financial affairs, strategy and administration.

Mr. Zhang obtained a bachelor's degree in auditing from Tianjin Finance and Economics Institute, the PRC (天津財經學院) (now known as Tianjin University of Finance Economics (天津財經大學)) in June 2002.

Ms. Li Tian (李甜女士) (formerly known as Li Tian Tian (李甜甜)), aged 40, is our executive Director and chief financial officer. She was appointed as an executive Director on 14 March 2023. Ms. Li joined our Group as our chief financial officer in January 2019 and is primarily responsible for the overall financial management of our Group. Ms. Li is a member of our Remuneration Committee and serves as supervisors at certain subsidiaries of our Group, including Zhongmiao Shujin, Zhongmiao Caizhi and Haier Insurance Agency. She also served as a supervisor of our Company from May 2020 to March 2023.

Ms. Li has over 12 years of experience in accounting and auditing. Prior to joining our Group, from October 2011 to October 2014, Ms. Li served as an auditor in PricewaterhouseCoopers Zhong Tian Qingdao Branch (普華永道中天會計師事務所有限公司青島分所), and she was primarily responsible for auditing work. Subsequently, she served as head of financial department and was primarily responsible for the management of financial and accounting activities at several companies under the Haier Group, including (i) Qingdao Ririxin Information Service Co., Ltd (青島日日新信息服務有限公司), a company principally engaged in information consulting service from January 2015 to February 2017; (ii) Qingdao Ririshun Lejia Trading Co., Ltd (青島日日順樂家貿易有限公司), a company principally engaged in the operation of trading platform from February 2017 to September 2018; and (iii) Qingdao Ririshun Chuangzhi Investment Management Co., Ltd (青島日日順創智投資管理有限公司) (now known as Qingdao Haishang Chuangzhi Investment Co., Ltd (青島海尚創智投資有限公司)), a company principally engaged in investment management from September 2018 to December 2018.

Ms. Li obtained her bachelor's degree in international economic and trade from Qingdao University, the PRC (青島大學) in June 2008 and obtained her dual master's degree in finance and logistics management from the University of Sydney, Australia in April 2010. She is a non-practising member of the Chinese Institute of Certificated Public Accountants (中國註冊會計師協會).

Mr. Wang Heping (王合平先生), aged 41, is our executive Director and chief technology officer. He was appointed as an executive Director on 14 March 2023. Mr. Wang joined our Group as our chief technology officer in April 2017 and is primarily responsible for the overall development and operation of the technology platform of our Group.

Mr. Wang has over 17 years of experience in software research and development. Prior to joining our Group, Mr. Wang worked at Computer Mind Co., Ltd., a company principally engaged in IT system development, Astroway Technology Development (Qingdao) Co., Ltd (宇威科技發展(青島)有限公司), a company principally engaged in the development and sales of technology for use in areas of education and training and administrative digitalisation, and Qingdao Zhonglianheli Information Technology Co., Ltd. (青島中聯合力信息技術有限公司) (now known as Shandong Yakailin Environmental Protection Technology Co., Ltd. (山東亞凱林環保科技有限公司)), a company principally engaged in the development and sales of technology. From April 2011 to March 2014, Mr. Wang worked as a software development engineer at Qingdao Hisense Media Network Technology Co., Ltd. (青島海信傳媒網絡技術有限公司), a company principally engaged in the provision of network technology services and a subsidiary of Hisense Visual Technology Co., Ltd. (海信視像科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600060), and was primarily responsible for software development and technical management.

Mr. Wang obtained a bachelor's degree in computer science and technology from Ocean University of China, the PRC (中國海洋大學) in June 2006.

Independent Non-executive Directors

Ms. Fang Qiaoling (房巧玲女士), aged 50, was appointed as an independent non-executive Director on 14 March 2023. She is responsible for supervising and providing independent judgement and opinion to our Board on issues material to our Group and where otherwise required. Ms. Fang is the chairlady of our Remuneration Committee and a member of our Audit Committee and Nomination Committee.

Ms. Fang has been teaching in the accounting faculty of Management College of Ocean University of China (中國海洋大學管理學院) since July 1999, where she served as a teaching assistant, lecturer and associate professor, and is currently a professor, PhD tutor and the head of accounting faculty. Ms. Fang has served as an independent director of Fengshi (Qingdao) Marine Technology Co.,Ltd. (逢時(青島)海洋科技有限公司) (principally engaged in food business) since June 2024. Ms. Fang has served as an independent director of Moore Threads Intelligent Technology (Beijing) Co. Ltd. (摩爾線程智能科技(北京)股份有限公司) (principally engaged in IT business) since December 2024. From June 2017 to June 2023, Ms. Fang had served as an independent director of Triangle Tire Co., Ltd. (三角輪胎股份有限公司) (listed on the Shanghai Stock Exchange (stock code:601163) and principally engaged in the production and sales of tyres). From August 2021 to June 2024, Ms. Fang had served as an independent director of Chendu Landtop Technology Co., Ltd. (成都能通科技股份有限公司) (principally engaged in development and production of electronic equipment). From June 2018 to August 2024, Ms. Fang served as an independent director of Bank of Qingdao Co., Ltd. (青島銀行股份有限公司), a company listed on the Stock Exchange (stock code: 3866) and Shenzhen Stock Exchange (stock code: 002948).

Ms. Fang obtained a bachelor's degree in economics in Zhejiang Silk Technology College, the PRC (浙江絲綢工學院) (now known as Zhejiang Sci-tech University (浙江理工大學)) in July 1996. She also received a master's degree and a doctorate degree in management from Renmin University of China (中國人民大學), the PRC in July 1999 and June 2005, respectively. She is a non-practising member of the Chinese Institute of Certified Public Accountants. She is currently a council member of the audit education division of the Chinese Audit Society (中國審計學會審計教育分會), an executive council member (常務理事) of Shandong Accounting Society (山東省會計學會), a council member (理事) of Accounting Society of China (中國會計學會), the president (會長) of Qingdao Business Accounting Society (青島市商貿會計學會) and the vice-president (副會長) of Qingdao Auditing Society (青島市審計學會). Ms. Fang was selected as a National Accounting Leading (back-up) Talents (academics) (全國會計領軍(後備)人才(學術類)) in 2009 and received a certificate of "National Accounting Leading Talents" (全國會計領軍人才證書) issued by Ministry of Finance of the PRC in 2016.

Mr. Chung Wai Man (鍾偉文先生), aged 62, was appointed as an independent non-executive Director on 6 August 2024. He is responsible for supervising and providing independent judgement and opinion to our Board on issues material to our Group and where otherwise required. Mr. Chung is the chairman of our Audit Committee and a member of our Remuneration Committee.

Mr. Chung has over 31 years of experience in accounting, taxation and finance. Mr. Chung has served as an independent non-executive director of Net Pacific Holdings Limited (listed on the Singapore Exchange Limited (stock code: 5QY) and principally engaged in provision of financing services and luggage products) since June 2018, E Lighting Group Holdings Limited (listed on the GEM of Stock Exchange (stock code: 8222) and principally engaged in retail chain business in lighting and household products) since September 2014, and Shanghai MicroPort MedBot (Group) Co., Ltd (listed on the Main Board of Stock Exchange (stock code: 2252) and principally engaged in designing, developing and commercialising surgical robots to assist surgeons in performing complex surgical procedures) since July 2024. Mr. Chung has served as an independent director of Smart Logistics Global Limited (listed on the NASDAQ in the United States, stock code: SLGB) since December 2024. Mr. Chung was an independent director of Shandong Fengxiang Co., Ltd (a company previously listed on the Stock Exchange (stock code: 9977) and delisted in July 2025), which is principally engaged in production of white-feathered broiler, from August 2019 to August 2025.

Mr. Chung obtained a bachelor's degree in social sciences from University of Hong Kong in December 1989 and a master's degree in international business management from City University of Hong Kong in November 1998. Mr. Chung has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1995 and a fellow of The Association of Chartered Certified Accountants in the United Kingdom since November 1999.

Ms. Ng Sin Kiu (吳先僑女士), aged 53, was appointed as an independent non-executive Director on 6 August 2024. She is responsible for supervising and providing independent judgement and opinion to our Board on issues material to our Group and where otherwise required. Ms. Ng is a member of our Audit Committee and Nomination Committee.

Ms. Ng has over 22 years of experience in legal practise and, in particular, substantial experience in corporate finance matters, and has advised on a broad spectrum of matters, including initial public offerings, secondary equity and equity-linked offerings, mergers and acquisitions, transactional and compliance matters, and other commercial matters. She has been a partner at Jingtian & Gongcheng LLP since February 2026. From August 1998 to March 1999, Ms. Ng last served as an assistant solicitor of Chiu & Partners. From April 1999 to August 1999, she was an assistant solicitor of Siao, Wen & Leung. From August 1999 to February 2000, she was an assistant solicitor of Pun & Associates. From February 2000 to April 2001, she was an assistant solicitor of Gallant (formerly known as Gallant Y.T. Ho & Co.). From May 2001 to December 2007, she was an assistant solicitor of Sidley Austin. From January 2008 to October 2008, she was an assistant solicitor of Paul Hastings. From October 2008 to December 2009, she was an assistant solicitor of Sidley Austin. From January 2010 to March 2012, Ms. Ng was a consultant of Sidley Austin. From April 2012 to December 2015, she was a partner of Squire Patton Boggs. From December 2015 to February 2026, she was a partner of the law firm, Watson Farley & Williams LLP. Ms. Ng has served as an independent non-executive director of Palasino Holdings Limited (listed on the Stock Exchange (stock code: 2536) and principally engaged in gaming and leisure business) since March 2024. Since July 2024, she has been an independent non-executive Director of ContiOcean Environment Tech Group Co., Ltd. (listed on the Stock Exchange (Stock Code: 2613)). From September 2024 to November 2025, she was an independent non-executive Director of Perfect Group International Holdings Limited (previously listed on the Stock Exchange (stock code: 3326) and delisted in October 2025).

Ms. Ng obtained her bachelor's degree, postgraduate certificate and master's degree in laws from the University of Hong Kong in November 1995, June 1996 and December 1999, respectively. She has been a solicitor of the High Court of Hong Kong and of the Greater Bay Area since August 1998 and May 2023, respectively.

Ms. Ng was a director of the following company, which had been dissolved at the latest practicable date prior to the publication of this annual report:

Name of the company	Place of incorporation	Date of dissolution	Means of dissolution	Reasons of dissolution
Gain Pacific Investment Limited	Hong Kong	8 May 2020	Struck-off	Cessation of business

Ms. Ng confirmed that (i) the above company was solvent immediately prior to its dissolution; (ii) there was no wrongful act on her part leading to the dissolution of the above company, and she was not aware of any actual or potential claim that had been or would be made against her as a result of dissolution; and (iii) no misconduct or misfeasance had been involved in the dissolution of the above company.

SUPERVISORS

Mr. Zhu Rongwei (朱榮偉先生), aged 33, was appointed as a Supervisor and the chairman of Supervisory Committee on 14 March 2023. He is responsible for supervising the operations of our Group, supervising the performance of our Directors and senior management and performing other supervisory duties as a Supervisor. Mr. Zhu has been our strategic director since July 2018 and has been responsible for the strategic affairs of our Company. He also serves as the supervisor of Yunhai Lianji Technology.

Prior to joining our Group, from March 2016 to June 2018, Mr. Zhu served as an accountant in Ririshun Internet of Things Co. Ltd. (日日順物聯網有限公司), which was under Haier Group and was principally engaged in the research and development of Internet of Things technology, and he was primarily responsible for financial affairs. Mr. Zhu obtained his bachelor's degree in finance management in Qingdao Agricultural University (青島農業大學), the PRC in July 2015. Mr. Zhu obtained his qualification as Certified Management Accountant issued by the Institute of Management Accountants of USA in January 2020.

Ms. Wang Jiesi (王傑斯女士), aged 39, was appointed as a Supervisor on 14 March 2023. She is responsible for supervising the operating of our Group, supervising the performance of our Directors and senior management and performing other supervisory duties as a Supervisor. From August 2011, Ms. Wang joined Haier Group. From August 2011 to September 2014, she worked as an IP manager of the IP department of Haier Group, and was responsible for the IP-related legal affairs. From October 2014 to July 2016, she worked as an overseas legal manager of Haier Group and was primarily responsible for legal affairs of overseas business. From July 2016 to May 2020, she worked as an overseas legal director, and was primarily responsible for the overall compliance system of the overseas business. From June 2020 to August 2023, she has been a legal director of corporate department of Haier Group, and was primarily responsible for overseas legal affairs, corporate governance, investment, and acquisition. Since September 2023, she has been a senior manager of the risk control and compliance department of Qingdao Haizhi Huiying, the general partner of Qingdao Haichuangying. Ms. Wang graduated with a bachelor's degree in law from in Xi'an University of Architecture and Technology, the PRC (西安建築科技大學) in July 2006, and obtained a masters of law degree in international commercial law from the University of Glasgow, the United Kingdom in April 2008. Ms. Wang obtained the Legal Profession Qualification Certificate issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in March 2010.

Ms. Wang Yangyang (王陽陽), aged 43, was appointed as a Supervisor on 17 June 2024. She is responsible for supervising the performance of our Directors and senior management and performing other supervisory duties as a Supervisor. Ms. Wang joined our Group as a human resource manager of Haier Insurance Agency in March 2019 and has been responsible for human resource management of Haier Insurance Agency.

Ms. Wang has over 21 years of experience in human resource management. Prior to joining our Group, she served different roles in human resource department and was primarily responsible for the staff training, recruitment, remuneration and human resource management at several companies under the Haier Group, including serving as training manager in Qingdao Haier Special Steel Plate Research and Development Co., Ltd. (青島海爾特種鋼板研製開發有限公司) (currently known as Qingdao HBIS Composite New Material Technology Co., Ltd. (青島河鋼複合新材料科技有限公司)), a company principally engaged in manufacturing of steel materials, from August 2004 to March 2007; serving as training manager in Qingdao Haier Training Centre (青島海爾培訓中心), a company principally engaged in consulting business, from March 2007 to August 2007; serving as training manager in Qingdao Haier Human Resources Development Co., Ltd. (青島海爾人力資源開發有限公司), a company principally engaged in provision of human resource management within the Haier Group, from August 2007 to May 2008; serving as human resources assistant in Qingdao Haier Refrigerator Co., Ltd. (青島海爾電冰箱有限公司), a company principally engaged in manufacturing of refrigerators, from May 2008 to February 2010; last serving as recruitment manager in Qingdao Haidarui Procurement Services Co., Ltd. (青島海達瑞採購服務有限公司), a company principally engaged in trading business, from February 2010 to November 2016; serving as remuneration manager in Qingdao Ririshun Electric Service Co. Ltd. (青島日日順電器服務有限公司) (currently known as Qingdao Haier Family Life Service Co., Ltd. (青島海爾家生活服務有限公司)), a company principally engaged in sales of home appliance, from December 2016 to February 2017; and serving as remuneration manager in Qingdao Haier Strauss Water Equipment Co., Ltd. (青島海爾施特勞斯水設備有限公司), a company principally engaged in sales of water treatment equipment, from March 2017 to February 2019.

Ms. Wang obtained her graduation certificate in computer application and maintenance from Qingdao Technical College, the PRC (青島職業技術學院), in July 2004. Ms. Wang obtained her graduation certificate in human resource management from Renmin University of China (中國人民大學) through online education in July 2017.

SENIOR MANAGEMENT

Mr. Lu Yao, Mr. Zhang Zhiquan, Ms. Li Tian and Mr. Wang Heping are also the senior management of our Group. For more details, please refer to the paragraph headed "Directors, Supervisors and Senior Management".

JOINT COMPANY SECRETARIES

Ms. Chan Sau Ling (陳秀玲女士), aged 56, was appointed as our joint company secretary on 6 August 2024. Ms. Chan is a Director of Company Secretarial Services of Tricor Services Limited, Asia's leading business expansion specialist. Ms. Chan has over 26 years of experience in the company secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Chan is currently the company secretary or joint company secretary of a few listed companies on the Stock Exchange.

Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Sun Yanlu (孫艷露女士), aged 36, was appointed as our joint company secretary on 6 August 2024. She is also the secretary of our Board and financial manager of our Company and is responsible for supervising the operating and financial affairs of our Group and managing the operation of our Board. Ms. Sun joined our Company as our financial manager in April 2022. From March 2023 to June 2024, she served as a supervisor of our Company and was responsible for supervising the performance of our Directors and senior management and performing other supervisory duties as a supervisor.

Prior to joining our Group, Ms. Sun served as an audit manager in Hexin Certified Public Accountants LLP (Special General Partnership) Qingdao Branch (和信會計師事務所(特殊普通合夥)青島分所) from March 2014 to February 2022, and was primarily responsible for auditing annual reports and special audits of various projects and gained solid practical experience and professional skills. Ms. Sun is a non-practising member of the Chinese Institute of Certificated Public Accountants (中國註冊會計師協會), and she obtained her bachelor's degree in information and computer science from North Minzu University, the PRC (北方民族大學) in July 2013. In November 2024, she also obtained the qualification of tax agent granted by the China Certified Tax Agents Association.

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed herein, as at the date of this annual report, the Directors confirm that there is no information of the Director, Supervisor or chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Board of Directors is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

Our Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal procedures of the Group so as to achieve accountability, and are committed to ensure the lawful, ethical and responsible operation of our Group's businesses. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

Save for the deviation from code provision C.2.1 as described in "Corporate Governance Report – Chairman and Chief Executive Officer" below, the Directors are of the opinion that the Company has complied with all the code provisions set out in Part 2 of the CG Code for the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date, the Company has adopted a code of conduct regarding securities transactions by Directors and Supervisors which is no less exacting than the Model Code.

Having made specific enquiries with all Directors and Supervisors, the Company confirmed that they have complied with the Model Code and the Securities Trading Standards for the year ended 31 December 2025. In addition, the Company is not aware of any non-compliance with the Model Code by the senior management of the Group for the year ended 31 December 2025.

Employees of the Company who may be in possession of unpublished inside information of the Company are also required to comply with the Model Code. The Company is not aware of any non-compliance with the Model Code by its employees for the year ended 31 December 2025.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring business and performance. The Board shall regularly review the contribution of the Directors to the performance of their duties to the Company and whether they are devoting sufficient time to fulfill their roles and Board responsibilities.

All Directors should ensure that their duties are carried out in good faith and in compliance with applicable laws and regulations and at all times in the interests of the Company and the Shareholders.

Our Directors have also delegated the responsibility of supervising internal compliance matters of our Company to our risk management committee, in which a compliance officer is appointed to specifically monitor the daily implementation of our internal compliance policies and conduct regular internal compliance reviews. In addition, our Company provides regular and ad hoc trainings to our employees in order to familiarise them with our internal compliance policies and equip them with the necessary knowledge for the effective and consistent implementation of our internal compliance policies.

Composition of the Board

As at the date of this annual report, the Board comprises seven directors, including four executive Directors and three independent non-executive Directors, details of which are set out below:

Executive Directors

Lu Yao *(Chairman)*
Zhang Zhiquan
Li Tian
Wang Heping

Independent Non-executive Directors

Fang Qiaoling
Chung Wai Man
Ng Sin Kiu

All the Directors have excelled in their professional fields and demonstrated high standards of personal and professional ethics and integrity. The biographical details of the Directors of the Company are set out in the section headed "Directors, Supervisors and Senior Management" in this annual report.

The Directors have agreed to disclose to the Company their commitments in a timely manner in respect of the provisions of the CG Code which require them to disclose the number and nature of their positions in public companies or organizations and other material commitments, as well as their capacity and time commitment to the issuer.

Save as disclosed in this annual report, none of the Directors, Supervisors and senior management of the Company (i) hold any other directorship in other publicly listed companies in the last three years; (ii) has any relationship with any other Directors, Supervisors and senior management of the Company; (iii) hold any other position in the Company or other members of the Group; (iv) hold any other interest in the shares of the Company within the meaning of Part XV of the SFO and (v) has other information relating to him/her that should be disclosed pursuant to the events under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Chairman and Chief Executive Officer

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

The Board operates to ensure a balance of power and authority and is comprised of a diverse group of experienced individuals. The Board currently consists of four executive Directors (including Mr. Lu Yao) and three independent non-executive Directors and therefore has a strong degree of independence in its composition. The Board will continue to review the effectiveness of the Group's corporate governance structure with a view to assessing whether there is a need to separate the roles of chairman and chief executive officer.

Independent Non-executive Directors

During the Reporting Period, the Board has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules in relation to the appointment of at least three independent non-executive Directors, at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. Of the three independent non-executive Directors, Mr. Chung Wai Man has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Company has also complied with the requirement under Rule 3.10A of the Listing Rules that at least one-third of the Board should be appointed as independent non-executive Directors so that the Board will maintain strong independence and be able to exercise independent judgment effectively at all times.

Each of the independent non-executive Directors has confirmed his/her independence with reference to the factors that are set out in Rule 3.13 of the Listing Rules. The Company confirmed that all its independent non-executive Directors satisfied the requirements for independence under Rule 3.13 of the Listing Rules.

Board Independence

The Company recognises that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and independent views. In the current composition of the Board, over one-third of the Directors are independent non-executive Directors and the members of the Audit Committee are all independent non-executive Directors, who satisfy the independence requirements under the Listing Rules. The Remuneration Committee and Audit Committee are all chaired by independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his/her appointment and annually. Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances require. On the basis of the above measures that have been put into place, the Board is of the view that the above mechanisms have been effective in ensuring that independent views and input were available to the Board throughout the Reporting Period.

Appointment and Re-election of Directors

Each of the Directors has entered into a service contract or a letter of appointment with the Company for an initial term of three years, which may be terminated in accordance with the termination provisions contained in the terms of the contract itself and is subject to the terms of termination therein and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association or is subject to retirement by rotation in accordance with any other applicable laws from time to time.

In addition, there are no service contracts entered into by the Company or its subsidiaries with the Directors and Supervisors who are proposed for re-election at the Annual General Meeting of the Company and which are not determinable within one year without payment of compensation, other than statutory compensation. The Company may by ordinary resolution remove any Director before the expiration of his period of office in accordance with the Articles of Association notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director.

Induction and Continuing Professional Development

All newly appointed Directors are provided with comprehensive formalised and specialised induction training and information to ensure that they have an appropriate level of understanding of the Company's operations and business as well as their responsibilities under the relevant legislation, rules and regulations.

During the Reporting Period, all Directors, namely Mr. Lu Yao, Mr. Zhang Zhiquan, Ms. Li Tian, Mr. Wang Heping, Ms. Fang Qiaoling, Mr. Chung Wai Man and Ms. Ng Sin Kiu, have been informed of amendments or updates to relevant laws, rules and regulations on a regular basis. All Directors have also been provided with updates on the latest developments in the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices. In addition, continuous briefing and professional development for Directors will be arranged as and when required. All Directors are encouraged to attend relevant training programs at the Company's expense, and they are required to submit signed training records to the Company annually.

Attendance at Board, Committee Meetings and General Meetings

The Board held 6 Board meetings during the Reporting Period. Details of the attendance of each Director at Board and Committee meetings and general meetings of the Company, either in person or by electronic means, during the Reporting Period are set out in the table below:

	Attendance/Number of Meetings Held During the Reporting Period				
Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**
Executive Directors					
Lu Yao	6/6	–	–	1/1	1/1
Zhang Zhiquan	6/6	–	–	–	1/1
Li Tian	6/6	–	1/1	–	1/1
Wang Heping	6/6	–	–	–	1/1
Independent Non-executive Directors					
Fang Qiaoling	6/6	2/2	1/1	1/1	1/1
Chung Wai Man	6/6	2/2	1/1	–	1/1
Ng Sin Kiu	6/6	2/2	–	1/1	1/1

At the Board meetings held during the Reporting Period, the Board discussed a number of matters including, but not limited to, the financial and operational performance of the Company, the approval for the publication of the Company's interim results announcement for the six months ended 30 June 2025 and the interim report.

The CG Code requires that the chairman of the Board should at least annually hold one meeting with the independent non-executive directors without the presence of other directors. During the Reporting Period, the chairman of the Board held one separate meeting with the independent non-executive Directors.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee specific areas of the Company's affairs. All Board committees established by the Company have specific written terms of reference which clearly define their powers and duties and are provided with sufficient resources to discharge their duties.

The chairmen and members of the Board committees are listed in the "Corporate Information" section of this annual report.

AUDIT COMMITTEE

The Board has established an Audit Committee comprising three independent non-executive Directors, namely Mr. Chung Wai Man, Ms. Fang Qiaoling and Ms. Ng Sin Kiu. Mr. Chung Wai Man is the chairman of the Audit Committee and possesses appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board in providing an independent opinion on the effectiveness of the Group's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has also adopted written terms of reference which clearly set out its duties and responsibilities (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has reviewed the financial results and report for the year ended 31 December 2025 and has confirmed that it has complied with all applicable accounting principles, standards and requirements and that adequate disclosures have been made. The Audit Committee has also discussed audit and financial reporting matters. The Audit Committee has also reviewed the continuing connected transactions for the year ended 31 December 2025. The Audit Committee has also reviewed important issues relating to financial reporting, the effectiveness of the risk management and internal control systems and internal audit function, the appointment of external auditors, and arrangements for employees to report possible improprieties in financial reporting, internal control or other matters. The Audit Committee conducts an annual review of the risk management and internal control system.

Two meetings of the Audit Committee were held during the Reporting Period. The attendance records of the members of the Audit Committee are set out in the paragraphs headed "ATTENDANCE AT BOARD, COMMITTEE MEETINGS AND GENERAL MEETINGS" in this section. The following is a summary of the work of the Audit Committee during the Reporting Period:

- reviewed the matter of re-appointment of the Company's external auditors;
- reviewed the annual and interim consolidated financial statements, the annual and interim results and report, the Group's financial and accounting policies and practices;
- reviewed the effectiveness of risk management, internal control and compliance systems and internal audit function and discussed its findings with management and internal audit;
- reviewed the continuous connected transactions; and
- To discuss with members of the Company's senior management matters relating to the accounting policies and practices adopted by the Company and internal controls.

During the Reporting Period, the Audit Committee also held two meetings with the Company's external auditors, KPMG.

REMUNERATION COMMITTEE

The Board has established the Remuneration Committee, consisting of one executive Director and two independent non-executive Directors, namely Ms. Fang Qiaoling, Mr. Chung Wai Man and Ms. Li Tian. Ms. Fang Qiaoling is the chairlady of our Remuneration Committee. The primary duties of our Remuneration Committee include, but not limited to (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors, Supervisors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package and services contracts of each Director and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time. The Remuneration Committee has also adopted written terms of reference which clearly set out its duties and responsibilities (the terms of reference are available on the websites of the Company and the Stock Exchange).

One meeting of the Remuneration Committee was held during the Reporting Period.

Further details of the remuneration payable to the Directors, senior management and the five highest paid individuals for the year ended 31 December 2025 are set out in Note 8 and Note 9 to the consolidated financial statements of this report respectively.

NOMINATION COMMITTEE

The Board has established a nomination committee, consisting of one executive Director and two independent non-executive Directors, namely Mr. Lu Yao, Ms. Ng Sin Kiu and Ms. Fang Qiaoling. Mr. Lu Yao is the chairman of the Nomination Committee. The primary duties of our Nomination Committee are to (i) review the structure, size and composition of our Board on a regular basis and make recommendations to our Board regarding any proposed changes to the composition of our Board; (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assess the independence of our independent non-executive Directors; and (iv) make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors. The Nomination Committee has also adopted written terms of reference which clearly set out its duties and responsibilities (the terms of reference are available on the websites of the Company and the Stock Exchange).

In evaluating the composition of the Board, the Nomination Committee considers various aspects and factors relating to Board diversity as set out in the Company's Board Diversity Policy (the "**Board Diversity Policy**"). The Nomination Committee discusses and agrees on measurable goals for Board diversity as necessary and makes recommendations to the Board for adoption.

One meeting of the Nomination Committee was held during the Reporting Period.

DIRECTORS NOMINATION POLICY

The Company has adopted a Director nomination policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

In identifying and selecting suitable Director candidates, the Nomination Committee considers, where appropriate, whether a candidate meets the relevant criteria set out in the Company's policy for nomination of Directors (the "**Director Nomination Policy**") that are necessary to complement the Company's corporate strategy and to achieve diversity on the Board before making a recommendation to the Board, and in considering the recommendation of a new Director for consideration at the general meeting, adopts the Board and Board committee requirements for diversity in the light of the latest regulatory requirements.

The Nomination Committee will review the Director Nomination Policy from time to time to ensure that it is effective.

BOARD DIVERSITY POLICY

The Company is committed to promoting a diverse culture in the Company. The Company seeks to promote diversity where feasible by considering a number of factors in its corporate governance structure.

The Company has adopted the Board Diversity Policy, which sets out the objectives and methods for achieving and maintaining Board diversity in order to enhance Board effectiveness. In accordance with the Board Diversity Policy, we seek to achieve Board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and time commitment as a Director of the Company. Directors have a balanced knowledge and skill set, including knowledge and experience in corporate, business management, human resources, insurance industry, accounting and auditing, software development, taxation and law. They have obtained degrees in a variety of fields, including electronic information science and technology, auditing, international economics and trade, logistics management, computing science and technology, economics, management, social sciences and law. Directors are between the ages of 40 to 62, with experience in different industries and fields and different genders, which is evidence that the Company's Board Diversity Policy is fully implemented. As of the date of this annual report, the Board consists of seven directors, three of whom are female. The Group considers that the current gender balance of the Group is satisfactory.

The Board considers that the current composition of the Board provides the Company with a good balance and diversity of skills and experience to meet its business needs, as well as opportunities for views from different genders and backgrounds to be heard and discussed, and to achieve diversity (including gender diversity) on the Board. The Board aims to maintain the current proportion of female members on the Board and to adopt the diversity requirements of the Board and Board committees under the latest regulatory requirements when considering recommending new directors for consideration at general meetings. The Board will continue to review its structure to ensure that it meets its business needs and supports the development of the Group. If circumstances change and the Board considers that additional or replacement of directors are necessary to achieve gender diversity or meet business requirements and support the development of the Group, the Company will deploy multiple channels to identify suitable directors, taking into account the diversity of perspectives set out in the Board's diversity policy, including but not limited to recommendations or internal promotions by the Company's management, shareholders and advisors.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in Code Provision A.2.1 of the CG Code.

For the year ended 31 December 2025, the Board has reviewed the Company's corporate governance policies and practices, the training and continuing professional development of Directors and senior management, the Company's policies and practices for compliance with legal and regulatory requirements, the compliance with the standard code, the Company's compliance with the CG Code and the disclosures in this corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company recognizes that good risk management and internal control play an important role in its operations. The Board is ultimately responsible for risk management, internal control and compliance management of the Company and is committed to establishing an effective risk management and internal control system and improving it on an ongoing basis.

RISK MANAGEMENT SYSTEM

The Company has established a vertical and horizontal risk management structure. Vertically, the risk management structure extends through the Board, senior management, its relevant functional departments and subsidiaries, covering all business segments and relevant subsidiaries; horizontally, the Company has established a three-lines-of-defense management mechanism comprising the relevant business departments and functional units as the first line of defense, the internal control and internal audit department as the second line of defense, and the strategic management department as the third line of defense, with each of these three lines of defense performing its respective duties in a coordinated manner. The Board is the highest decision-making body for the Group's comprehensive risk management and bears the ultimate responsibility for the Group's, and performs the following risk management duties: (i) to promote the construction and improvement of the Company's risk management system and internal control system, and to listen to and approve the reports on major risks and their control, as well as the overall objectives and planning for the construction of the internal control; (ii) to be responsible for the identification of the Company's major risks, and to scrutinize and approve the relevant management plans; (iii) identifying and reviewing major deficiencies in the Company's internal controls and approving opinions on the accountability for such deficiencies; and (iv) approving audit reports on risk management and internal control evaluation submitted by the internal control evaluation department.

The primary responsible department for performing on-going co-ordination and planning the Group's risk management system is the internal control and internal audit department, which main responsibilities include: (i) as the lead department of the Company's risk management, organizing risks and information collection, threat and risk assessment report review, risk database update and risk response work; (ii) planning and improving the set up and improvement of the Company's internal control system, and organizing the implementation; (iii) formulating and revising the Company's internal control management measures according to the actual situation; (iv) organizing all departments of the Company to sort out the process, clarify key control nodes and control standards, improve the management system, and prepare and regularly revise the Company's internal control manual; (v) guiding and supervising each unit of the Company to establish and improve its internal control system and require the preparation of its internal control manual; (vi) promote the integration of internal control system setup and information technology set up in all departments and units of the Company, and gradually solidify business processes and control measures into the information system; (vii) conduct regular or irregular inspections and evaluations of the internal control system setup and implementation of each unit, and put forward suggestions for improvement; and (viii) organize internal control set up and improve relevant knowledge training.

INTERNAL CONTROL SYSTEM

The Company recognizes that good internal control plays an important role in our operations. The Board is ultimately responsible for the Company's internal control and is committed to establishing and implementing an adequate and effective internal control system and improving it on an on-going basis in order to achieve the Company's internal control objectives. The Board is responsible for guiding the establishment of the Company's internal control management system, conducting regular evaluations of the soundness, reasonableness and effectiveness of the internal controls, reviewing and approving the Company's internal control organization structure, major internal control policies, the handling of major risk events, setting the acceptable level of risk, and providing reasonable assurance that the Company operates prudently and within the framework of laws and policies. The Audit Committee has been established under the Board to oversee the effective implementation of the Company's internal controls, coordinate internal control audits and other related matters, study and formulate corresponding measures to strengthen internal control management, and provide professional advice and recommendations for the Board's decision-making. The business and functional departments of the Company are the constructors and implementers of internal control and bear the primary responsibility for the internal control of the unit; the internal control and internal audit department is responsible for the prior and on-going co-ordination and planning of internal control, organizing and promoting the same, monitoring the same in real time, conducting regular investigations and examinations and supervising the rectification of the defects in the internal control; and the internal audit department is responsible for the independent assessment of and report on the effectiveness of the internal control management system. The Strategic Management Department is the supervisory and evaluation department of internal control, and conducts independent evaluation and report on the soundness, reasonableness and effectiveness of the internal control management system, and performs the following internal control duties: (i) planning and organizing the implementation of the evaluation of the Company's internal control system; (ii) compiling the Company's internal control evaluation manual in accordance with the internal control standards and making regular revisions in light of the actual situation; (iii) to make specific requirements for the preparation and filing of the internal control evaluation manual of each unit; (iv) to compile the Company's internal control evaluation plan and identification standards for internal control deficiencies, and to make specific requirements for the preparation and filing of the internal control evaluation plan and identification standards for internal control deficiencies of each unit; (v) to be responsible for organizing and launching the internal control evaluation work of each department and office of the Company, and to supervise each department and office to carry out rectification in view of the internal control deficiencies; (vi) to direct, supervise and inspect the internal control evaluation work of each unit of the Company; to supervise each unit to carry out rectification in view of the specific internal control deficiencies of each of the units of the Company; (vii) to compile the internal control evaluation reports of the various departments of the Company and each unit of the Company and prepare an internal control evaluation report as a whole; (viii) focusing on the problems or risks identified in the course of daily supervision, inspection, audit or internal control evaluation, request the relevant units to further collect the relevant information and make a risk assessment; and (ix) organize the training on the knowledge related to the evaluation of internal control.

In order to monitor the ongoing facts of risk management and internal control, the Company have adopted the following measures:

- Established an audit committee to oversee the Company's financial records, internal control procedures and risk management system;
- Appointed Ms. Sun Yanlu and Ms. Chan Sau Ling as joint company secretaries of the Company to ensure that the Company's operations are in compliance with relevant laws and regulations;
- Appointed Ping An of China Capital (Hong Kong) Company Limited as the Company's compliance adviser to advise the Company on compliance with the Listing Rules;
- Appointed external legal advisers to advise the Company on compliance with the Listing Rules and to ensure that the Company complies with the relevant regulatory requirements and applicable laws where necessary.

EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for overseeing the implementation and managing the risk management and internal control systems of the Company and ensuring review of the effectiveness of these systems has been conducted annually. For the Reporting Period, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group. The review covered all material controls of the Group, including financial, operational and compliance controls. Several areas have been considered during the Board's review, including but not limited to

(i) the changes in the nature and extent of significant risks (including ESG risks) since the last annual review, and the Company's ability to respond to changes in its business and the external environment;

(ii) the ongoing monitoring by management of risks (including ESG risks) and the extent and effectiveness of internal control systems;

(iii) the level of detail and frequency with which control results are communicated to the Board (or its committees), which enables the Board to assess the state of the issuer's controls and the effectiveness of risk management;

(iv) the material control failures that have occurred or material control weaknesses that have been identified during the year, and the severity of any unforeseen consequences or emergencies resulting therefrom, which have had, may have had or are likely to have a material impact on the Group's financial performance or condition in the future;

(v) the effectiveness of the Company's procedures relating to financial reporting and compliance with the requirements of the Listing Rules of the Stock Exchange;

(vi) the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

The Board recognises that the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also considered that the resources, staff qualifications and experience of relevant staff for the Group's risk management and internal control systems (including those relating to the Group's ESG performance and reporting) during the Reporting Period were adequate, and the training programs and budget provided were sufficient. Having reviewed the same, the Board is of the opinion that the risk management and internal control systems of the Company were adequate and effective during the Reporting Period.

ANTI-CORRUPTION AND WHISTLEBLOWING POLICY

The Company does not tolerate any form of bribery, whether direct or indirect, by its directors, officers, employees, agents or consultants, or by any person or company acting for or on their behalf. The Company has adopted an anti-corruption policy to assist employees in identifying situations that may lead to, or appear to involve, corruption or unethical business practices, in order to avoid such specifically prohibited behaviors, and to seek timely guidance when necessary.

The Company expects and encourages employees of the Group and those who work with the Group (e.g. suppliers, customers, creditors and debtors) to report confidentially to the Company any suspected impropriety, misconduct or malpractice in relation to the Group. The Company has adopted a whistleblowing policy to provide reporting channels and guidelines for reporting potential misconduct and to assure whistleblowers that the Group will provide them with protection in the formal system. Proper arrangements have been made under the whistleblowing policy for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control and other matters.

The anti-corruption and whistleblowing policies are reviewed regularly and any suspected cases will be reported to the Audit Committee.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the Reporting Period in accordance with statutory requirements and applicable accounting standards.

The Directors also acknowledge their responsibilities to ensure that the financial statements of the Company are published in a timely manner.

AUDITORS' RESPONSIBILITY AND REMUNERATION

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" in this annual report.

For the Reporting Period, services provided to the Group by KPMG, the existing auditor of the Company, and the respective fees paid and payable were:

Type of Service	**Fees paid/payable** *RMB'000*
Audit services	1,387
Non-audit services	57
Total	1,444

The Board and the Audit Committee have agreed to re-appoint KPMG as the Group's external auditor for the year ended 31 December 2026 and the proposal will be put forward for approval at the Annual General Meeting.

JOINT COMPANY SECRETARIES

Ms. Sun Yanlu is the joint company secretary of the Company and is responsible for making recommendations to the Board on corporate governance matters and ensuring compliance with the policies and procedures of the Board, applicable laws, rules and regulations. In order to maintain good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws, the Company has also appointed Ms. Chan Sau Ling, a Director of Company Secretarial Services of Tricor Services Limited, as the joint company secretary of the Company during the Reporting Period to assist Ms. Sun Yanlu in discharging her duties as the joint company secretary of the Company. Ms. Chan Sau Ling's principal contact person in the Company is Ms. Sun Yanlu.

During the Reporting Period, both Ms. Sun Yanlu and Ms. Chan Sau Ling have complied with Rule 3.29 of the Hong Kong Listing Rules by attending not less than 15 hours of relevant professional training.

EMPLOYEE DIVERSITY

For the year ended 31 December 2025, the Group had 129 employees. Of these, 76 are male and 53 are female. Gender ratio of employees (including senior management) is approximately 58.9% male to 41.1% female. The Group supports various diversity perspectives in different aspects, the key areas of which are similar to Board diversity. Based on the latest information, the Board is of the view that the overall gender diversity of the Group is balanced and the Group will continue to maintain the gender diversity of its workforce. The Group recognizes the importance and benefits of gender diversity in the work environment. The Group will further improve its staff management system. Through a scientific and standardized personnel management system covering recruitment, attendance and performance evaluation, the Group will ensure the fairness and orderliness of its staff management and continue to promote staff diversity from various diversity objectives, including but not limited to gender diversity.

CHANGES TO CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change to the constitutional documents of the Company. The current effective Articles of Association are available on the websites of the Stock Exchange and the Company, respectively.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**"). In recommending dividends and determining the amount of dividends, the Board shall take into account, among other things, the following factors: (i) the actual and projected financial performance of the Group; (ii) the Group's projected working capital requirements, capital expenditure requirements and plans for future business expansion; (iii) the Group's current and future cash flows; (iv) other internal and external factors that may affect our business operations or financial performance and position; and (v) factors that the Board considers relevant. The Board may determine and pay to the Shareholders of the Company such interim and final dividends as it thinks fit, subject to the approval of the shareholders in the general meeting of the Company.

DISCLOSURE OF INSIDE INFORMATION

The Company has developed its disclosure policy to provide a general guide to the Group's Directors, Supervisors, senior management and relevant employees on handling confidential information, monitoring of information disclosure and responding to queries, to ensure that information of the Company is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. The Group has executed supervision programs to confirm the strict prohibition from unauthorised access to and use of inside information.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Directors are aware of the importance of maintaining good relations and communications with the Shareholders and in appropriate circumstances, the investment community at large. The Company believes the effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

The Company maintains a website at www.haierbx.net as a communication platform with Shareholders and investors, where information on the Company's announcements, financial information and other information are available for public access.

The Company also uses a range of communication tools, such as annual general meetings, annual reports, various notices, announcements and circulars, to ensure the Shareholders are kept well informed of the Group's key business.

Furthermore, Shareholders' meetings and results briefings provide an opportunity for communication between the Board and the Shareholders. The chairman of the Board should attend the Shareholders' meeting, in particular, either the chairmen of Board Committees or chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee, appropriate management executives and external auditors (as the case may be) will be available at the meeting to answer any questions raised by the Shareholders.

The Company has also established a Shareholders communication policy to ensure the Shareholders are provided with timely information about the Company. The policy is regularly reviewed by the Company to ensure its effectiveness.

Meanwhile, the Group's website and official account are also constantly updated to provide investors and the public with the latest information on all aspects of the Group.

Upon reviewing the Group's communication strategies with Shareholders and investors, and the various channels for Shareholders to express their views to the Company, the Board is of the view that the Shareholders' and investors' communication policy is implemented properly and effectively.

SHAREHOLDERS' RIGHTS

The annual general meeting shall be held once a year and shall be held within six months after the end of the preceding financial year. To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at the general meetings of the Company. All resolutions put forward at general meetings will be voted on by poll pursuant to the provisions of the Listing Rules and the Articles of Association, and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 50 of the Articles of Association, shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the Board to hold an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to applicable laws, administrative regulations, departmental rules, normative documents, the Listing Rules and the Articles of Association, give a written reply on whether or not it agrees to hold such an extraordinary general meeting within ten days after receipt of the request.

Where the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original request set forth in the notice shall be subject to approval by the relevant Shareholders.

If the Board does not agree to hold the extraordinary general meeting or fails to give a written reply within ten days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the Supervisory Committee to hold an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the Supervisory Committee fails to serve the notice of general meeting within the prescribed period, it shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding more than 10% shares of the Company for more than ninety consecutive days may convene and preside over the meeting by themselves.

If the Supervisory Committee or shareholders itself/themselves convene a general meeting, the expenses necessary for the meeting shall be borne by the Company and set off against sums owned by the Company to the defaulting Directors.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Pursuant to Article 55 of the Articles of Association, shareholder(s) severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener ten days before a general meeting is convened. The convener shall publish a supplementary notice of general meeting within two days after receipt of the proposals and announce the contents of the provisional proposals.

ENQUIRIES TO THE BOARD

Shareholders who wish to make any enquiry to the Board may send their enquiries in writing to the Company. The Company will not normally deal with verbal or anonymous enquiries.

CONTACT DETAILS

Shareholders may send the above enquiries or requests or make suggestions in the following ways:

Address: No. 1, Haier Road, Laoshan District, Qingdao, Shandong, PRC
E-mail:zhongmiao@qzg001.com

For the avoidance of doubt, in order to be valid, a shareholder must send a duly signed original of a written request, notice or statement or enquiry (as the case may be) to the above address, giving his full name, contact details and identity. Shareholder information may be disclosed as required by law.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Statement for Preparing the Report

Zhongmiao Holdings (Qingdao) Co., Ltd. and its subsidiaries (hereinafter referred to as "**Zhongmiao**", the "**Group**" or "**we**") hereby present the second environmental, social and governance report. This report comprehensively outlines the Group's strategic planning, progress, and long-term vision in the ESG sector, with the aim of systematically disclosing our key initiatives and performance outcomes in the areas of environment, social responsibility, and governance. It should be specifically noted that Beijing Kechuang Rongxin Technology Co., Ltd., which the Group acquired on 24 October 2025, has not been included in the scope of this report. Through this report, we are committed to deepening stakeholders' understanding of the Group's sustainability philosophy, action plan, and value commitments, while continuously enhancing transparency and trust.

Reporting Scope

Unless otherwise stated, the Reporting Scope of the Report covers insurance agency business, financial technology services. This report does not include matters related to the newly acquired Beijing Kechuang Rongxin Technology Co., Ltd. The Reporting Period of the Report is from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or the "**Year**"), which is consistent with the financial year covered by the 2025 Annual Report.

Reporting Guidelines and Principles

The Group prepared the Report in accordance with the Environmental, Social and Governance Reporting Code (the "**Code**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKEX**"). The Report has complied with all the "comply or explain" provisions of the Code and has been prepared based on the four reporting principles of the Code: materiality, quantitative, balance and consistency.

"Materiality": Through regular communication with stakeholders, the Report identifies and prioritizes ESG issues that are equally important to stakeholders and the Group, and ranks material issues.

"Quantitative": The Report discloses key environmental and social performance indicators using quantitative data, accompanied by explanations to clarify their purpose and impact. We also provided comparative data for the environmental KPIs in the Report.

"Balance": Adhering to the balance principle, the Report impartially presents both positive and negative information on the Group, with ongoing reviews to identify areas for improvement.

"Consistency": The Report employs consistent disclosure methodologies, and further refines certain disclosure categories in alignment with the ESG Reporting Code of the HKEX. The Group will ensure that the disclosure scope and reporting methodology of the ESG Report remain generally consistent on an annual basis.

Access to the Report

The Report is available for viewing and downloading on the websites of the HKEX's "HKEXnews" (www.hkexnews.hk) and Zhongmiao (https://www.haierbx.net/).

Feedback

Your valuable opinions are the driving force for our continuous improvement. If you have any comments on the Report or any related matters, please contact us through the following channels:

Tel: 400-100-0316 ext. 0
Website：https://www.haierbx.net/
Email: zhongmiao@qzg001.com

Report language

The Report is published in traditional Chinese and English. In case of any discrepancy, the English version shall prevail.

STATEMENT FROM THE BOARD

The Board of the Group serves as the highest authority and decision-making body for ESG matters, bearing ultimate responsibility for the Group's ESG strategy and reporting, and overseeing ESG-related issues that may impact Zhongmiao's business or operations, shareholders, and other stakeholders. The ESG leadership group and the ESG executive group under the Board are responsible for identifying and assessing ESG risks (including climate-related risk) related to Zhongmiao, ensuring that the Group has in place appropriate and effective ESG risk management and internal control systems, and reporting and reviewing the progress of the achievement of relevant ESG goals to the Board.

The Group values the suggestions and opinions of all stakeholders, ensures sufficient channels to engage in communication and dialogue with major stakeholders to discuss and identify significant ESG issues and potential ESG risks, while continuously refining ESG-related strategies, policies and systems. The Board has reviewed the material ESG issues for the year and approved proposals to adjust the materiality levels of various ESG issues, ensuring the timeliness and reasonableness of the materiality issue matrix.

The Directors hold regular meetings to review and approve the Group's sustainable development goals, guide and monitor the development and implementation of Zhongmiao's ESG vision, strategy and structure through the ESG leadership group, review the Group's important ESG issues, major ESG risks and opportunities, monitor the communication channels and methods with shareholders, and review Zhongmiao's ESG-related disclosures.

The Board and all Directors guarantee that there are no false records, misleading statements or material omissions in the Report, and assume responsibility for the authenticity, accuracy and completeness of the Report. The Report discloses in detail the progress and effectiveness of the Group's ESG in 2025, which was considered and approved by the Board on 27 March 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT ZHONGMIAO

Company Profile

Zhongmiao, the first insurance intermediary group listed in Hong Kong, is committed to sustainable development and aims to become a China's leading ecosystem-based fintech service platform. Adhering to a differentiated model centered on "Technology • Scenarios • Ecosystem," the Company continuously drives the iterative improvement of the user experience. In the face of a shifting market environment within the insurance intermediary industry, the Company was able to buck the trend and achieved growth through ecosystem co-creation, scenario innovation, and technology empowerment. During the Reporting Period, the Group's operating revenue reached RMB 248.1 million, representing an increase of approximately 20.6% year-over-year; net profit reached RMB 56.9 million, representing an increase of approximately 23.2% year-over-year. Both the Company's operating revenue and net profit achieved rapid year-over-year growth. The Company's ecosystem layout continues to improve, its technological capabilities are steadily enhancing, and the value of its platform has significantly increased.

On the one hand, the Company is dedicated to building a boundary-less, all-scenario business model based on ecosystem co-creation. By continuously integrating high-quality resources from more insurance companies, we are creating a comprehensive insurance ecosystem to achieve deep resource integration and a diversified supply of insurance products, thereby establishing a lifelong user ecosystem service system. As of 2025, the Group has partnered with over 80 insurance companies and served a cumulative total of over 37,000 corporate clients and 626,000 family clients. On the other hand, the Company focuses on scenario-based innovation, deepening its commitment to corporate insurance interaction service platforms and the photovoltaic sector. By developing specialized scenario-based services tailored to specific needs, the Company effectively addresses core industry pain points while fully upholding its ESG social responsibilities.

At the same time, the Company has achieved breakthroughs in multiple areas of insurance technology. By leveraging AI to empower a new model for warehouse risk mitigation services, it has successfully developed the Anshu Intelligent Prevention System (安樞智防系統) and established a pilot risk-mitigation warehouse, driving the shift in risk management from "post-incident compensation" to "pre-incident prevention" and achieving a closed-loop management system where risks are "detectable, quantifiable, and actionable"; We have comprehensively upgraded the "Zhonghui Bao"(眾慧保) platform within the Smart Insurance and Fast Claims Settlement System, significantly enhancing our intelligent claims settlement capabilities. Leveraging the Zhongmiao AI Brain, we have achieved intelligent, automated collection of claims documentation and high-level automated claims calculation capabilities. This initiative was honored with the "Qingdao Financial Innovation Achievement (青島市金融創新成果) award, comprehensively empowering business quality improvement and efficiency gains while enhancing the customer experience.

2025 Corporate Honors

Companies with the Greatest Investment Potential
–Zhitong Finance(智通財經)
(Awarded in December 2025)

City Data Operations Union
– Scenario Ecosystem Partner
– Hosted by the China Information Industry Association
(中國信息協會): 3rd Public Data Operations Conference (2025)
(Awarded in October 2025)

2025 InsurStar30
–Insur View (保觀)
(Awarded in December 2025)

2025 Whale Tide Awards (鯨潮獎)
–Blue Whale News (藍鯨新聞)
(Awarded in December 2025)

Second Prize for Financial Innovation Achievements in Qingdao
("**Smart Insurance, Fast Claims**"(智保捷賠) AI-Driven Insurance Service System)
– Office of the Financial Affairs Committee of the Qingdao Municipal Committee of the Communist Party of China
(中國青島市委金融委員會辦公室)
(Awarded in August 2025)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025 ESG KEY PERFORMANCE HIGHLIGHTS

ENVIRONMENTAL

Green Emissions Reduction Low-Carbon Efficiency Improvement

Greenhouse gas emissions density: 0.41 metric tons of CO_2 equivalent/employee — Year-over-year decrease: 29%

Water consumption density: 4.48 cubic meters/employee — Year-over-year decrease:72%

Electricity consumption density: 0.46 megawatt-hours/employee — Year-over-year decrease:47%

SOCIAL

People-oriented Empowering Innovation

Insurance Customer Satisfaction: 99.14%

Percentage of female employees: 41.1%
Employee training coverage: 100%

Information security or data breach incidents: 0

Information security training coverage for directors and all employees: 100%

Number of new intellectual properties obtained: 8
Year-over-year increase in intellectual property: 10%

GOVERNANCE

Integrity in Governance Diversity and Balance

Percentage of female directors on the Board: 42.9%

Percentage of independent non-executive directors on the Board: 42.9%

Legal proceedings related to corruption: 0

Percentage of directors and all employees who have received anti-corruption training: 100%

1. GOVERNANCE: STRENGTHENING THE FOUNDATIONS OF GOVERNANCE AND REINFORCING COMPLIANCE STANDARDS

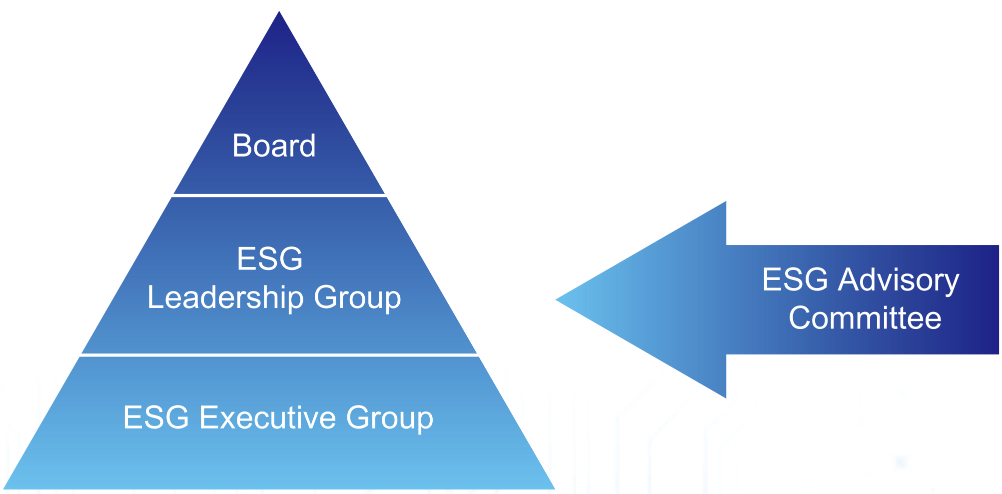
1.1 Sustainable Governance System

Adhering to the client-centered service concept and guiding by the environmental protection concept of energy saving and emission reduction, we have formulated a comprehensive ESG management system covering the three major areas of group governance, social responsibility and environmental protection, so as to ensure the systematization, standardization and enforceability of ESG objectives and achieve the balanced development of economic benefits and sustainable development.

1) ESG Governance Structure

The Group is committed to establishing a comprehensive, effective, and sustainable ESG governance framework. We strictly adhere to the relevant requirements of the Hong Kong Stock Exchange and encourage the Board and senior management to actively participate in the formulation, implementation, and oversight of ESG strategies. Specifically, this includes: optimizing the Board's structure to ensure members demonstrate diversity, independence, and expertise in terms of gender, age, professional background, and industry experience; eliminating single-gender Boards; and annually disclosing diversity policies, implementation progress, and quantifiable targets; standardizing the Board election process by upholding the principles of fairness, impartiality, and transparency, clarifying standards and procedures, and promptly disclosing relevant information; Reasonably allocating independent non-executive directors to ensure their numbers and capabilities meet regulatory requirements, thereby effectively fulfilling their roles in independent oversight and professional scrutiny; convening regular board meetings to review major ESG issues, prepare comprehensive meeting minutes, and maintain proper records; establishing an annual ESG governance effectiveness evaluation mechanism to continuously optimize the governance system, ensuring compliance, effectiveness, and industry leadership.

In order to integrate sustainable development into our decision-making process, Zhongmiao has established a multi-level group governance structure, in which the responsibilities and roles of various departments are clearly defined, so as to ensure that all matters and issues related to sustainable development can be effectively promoted and developed.



Governance Tier	Role	Scope of Major Responsibilities
Governance Tier	Board	Responsible for the overall supervision of formulating and implementing ESG planning; Decide the sustainable development strategy, target framework and major policies of the Group; Plan and determine ESG strategies, objectives and policies, and ensure the effective operation of ESG management structure; Comprehensive review of ESG risks (including Climate-related risk) and material ESG issues; Regularly review the achievement of ESG objectives, the effectiveness of risk management and the improvement of ESG performance to ensure that ESG efforts are coordinated with the overall strategy and business development of the Group.
Management Tier	ESG leadership group	Formulate the Group's ESG strategy and policy action plan; Determine the ESG evaluation framework and indicator system of the Group; Review the ESG report of the Group; Review and determine the contents and steps for ESG improvement of the Group and supervise their implementation.
Operational Tier	ESG executive group	Implement the ESG work deployment, study and formulate the implementation plan and follow up on their execution; Carry out ESG management evaluations continuously, and put forward improvement and enhancement suggestions to the leadership group; Be responsible for guiding the Group's relevant departments and affiliated companies on ESG-related matters; Assist in effective communication with and response to stakeholders regarding ESG issues.
External Support Tier	ESG Advisory Committee	Provide consultation and suggestions for the Group's ESG efforts; Guide the development of ESG strategies, policies, and objectives to ensure compliance; Review draft ESG reports to enhance compliance, professionalism, and disclosure quality; Share industry trends and best practices; assist in responding to HKEX inquiries and ESG ratings.

The Board fulfills its ESG oversight responsibilities by regularly reviewing dedicated ESG reports, examining key performance indicators, receiving management updates, and conducting comprehensive assessments and dynamic monitoring. At the management level, an ESG leadership group, chaired by the General Manager and comprising senior executives, is responsible for coordinating the formulation of ESG strategies and making decisions on significant matters. At the execution level, a cross-departmental ESG executive group, coordinated by the brand marketing department, is responsible for the daily affairs and involved in heads of functional departments and business units to drive the implementation of specific initiatives. The executive group reports progress monthly to the leadership group, which in turn submits consolidated assessment reports to the Board quarterly, ensuring deep alignment between ESG governance and business development. Additionally, the Group has established an independent ESG Advisory Committee, composed of shareholder representatives and external experts, to provide consultation, recommendations, and other support on the Group's ESG efforts from a third-party perspective. The management of the Advisory Committee shall be in accordance with the institutional regulations of the Group.

2) Stakeholder Engagement

The Group has always regarded stakeholders as central to sustainable development and, adhering to the principles of openness and transparency, has established a comprehensive communication system. By systematically identifying the key concerns of stakeholders, including government and regulatory bodies, shareholders and investors, users, customers, employees, suppliers, and strategic channel partners, the Group implements tailored communication strategies. Through a combination of regular and ad hoc communication mechanisms, the Group has established diverse interactive platforms to ensure the timely sharing of information and two-way feedback.

The Group strictly adheres to its information disclosure obligations and continuously improves its routine communication mechanisms, thoroughly incorporating stakeholder feedback into corporate governance, strategic planning, and operational decision-making. In its day-to-day operations, the Group emphasizes two-way communication and actively addresses the needs of all stakeholders, fostering mutually beneficial development and laying a solid foundation for achieving sustainable development goals.

Stakeholders	Concerned issues	Communication Channels/Methods
Customers (Insurance Policyholders)	Customer Privacy and Data Security Customer Service and Satisfaction Green Insurance Products Consumer Rights Protection	Customer Feedback Mechanisms Social Media and Website Customer Service Hotline WeChat Official Account, Official Website Customer Visits and Follow-ups
Clients (Insurance Company Partners)	High-Quality Service Compliance and Risk Management Digital Capabilities Comprehensive Service Capabilities Brand Influence	Daily Communication Client Visits WeChat Official Account, Official Website Client Focus Groups

Stakeholders	Concerned issues	Communication Channels/Methods
Strategic channel providers (Strategic Channel Partners)	Compliance and mutual benefit Complementary services Digital capabilities Sustainable partnerships	Daily communication Strategic channel provider Assessments Regular meetings On-site visits
Employees	Protecting the rights and interests of employees Compensation and benefits Training and development Occupational Health and Safety	Employee training and activities Employee forums Internal publications Online channel: employee mailbox, employee communication mailbox
Insurance agents	Training and development Agent compensation, welfare and benefits	Daily communication Agent meetings Agent training
Shareholders and investors	Operating results Compliance operations Enhanced investment returns Excellence in corporate governance	Annual report of the Group Interim reports and announcements General meetings Investor meetings
Government and supervisory bodies	Compliance operations Transparency in information disclosure Anti-corruption Serving the real economy	Policies and guidelines Inspections, assessments, and supervision Regular communication ESG report disclosure
Suppliers	Fair procurement Integrity in cooperation Supplier management	Periodic review and evaluation Daily purchasing activities Business communication

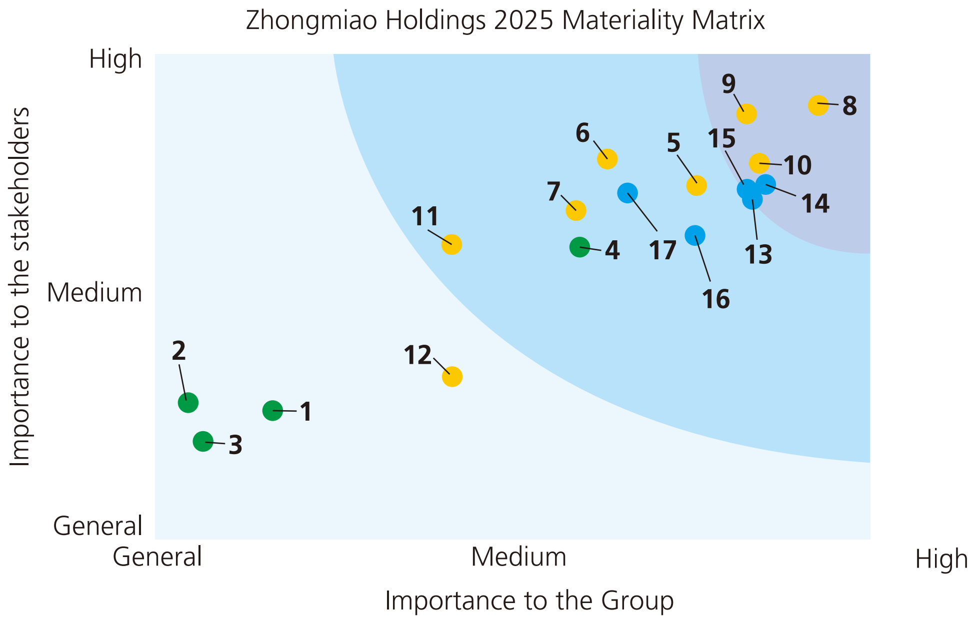
Stakeholders	Concerned issues	Communication Channels/Methods
Non-governmental organizations	Social Welfare Environmental Protection Public Services	Public welfare activities environmental protection activities WeChat Official Account, official website
Environmental groups	Addressing climate change Action on energy conservation and emission reduction Pollution prevention and control	Environmental protection activities and publicity ESG report disclosure

3) Materiality Assessment

Zhongmiao places a high priority on risk management in its daily operations, viewing it as a core safeguard for the Group's steady development. At the same time, the Group strictly adheres to the relevant requirements of the Stock Exchange and systematically conducts ESG materiality assessments to gain in-depth insights into the key concerns of various stakeholders regarding ESG issues, thereby laying a solid foundation for the Company's sustainable development. During the reporting period, the Group commissioned an independent third-party consultant to conduct a stakeholder materiality assessment. Through the three standardized steps of "identification, evaluation, and confirmation," the Group comprehensively identified the core issues of concern to stakeholders. This process not only clarified the direction for improving ESG initiatives and enabled the formulation of more targeted ESG strategies but also significantly enhanced the transparency and credibility of this report.

Identification: Define the scope of the core issues	The Group systematically identifies various material ESG issues in strict accordance with the Hong Kong Stock Exchange's ESG Standards and Rules, while incorporating industry benchmarking analysis and its own current development status. During the Reporting period, through a comprehensive review, a total of 17 material issues were identified, categorized as follows: 4 environmental issues, 8 social issues, and 5 governance and operational issues, thereby laying a clear foundation for subsequent assessment work.

Assessment: Rank based on opinions from multiple parties	To ensure that the assessment of issues aligns with the Group's strategy and business policies, the Group invited representatives from various stakeholders and management to participate in an online survey, collecting feedback on potential material issues through a scoring system. Based on the principle of materiality, all identified issues were systematically analyzed, appropriately adjusted, and scientifically prioritized to ensure that key issues align closely with the Group's long-term development goals, while fully addressing the concerns of all stakeholders and enhancing the comprehensiveness and effectiveness of ESG decision-making.
Confirmation: Finalize the evaluation results and conduct implementation	The Group presents the assessment results for all issues in a matrix format based on two key dimensions: "Importance to the Group" and "Importance to Stakeholders." It identifies highly material issues based on the scores and classifies all issues into three categories: highly material, moderately material, and generally material. The results of the assessment matrix will be submitted to the ESG Leadership Group for review and ultimately approved by the Board. They will serve as the core reference for the Group's future ESG strategy formulation, goal setting, and information disclosure, ensuring that ESG initiatives are closely aligned with core business operations and stakeholder expectations, thereby supporting the implementation of sustainable development goals.



Environmental Issues	Social Issues	Governance Issues
1. Emission Reduction, and Environmental Protection	5. Protect Employee Rights	13. Company Governance and Compliance
2. Addressing Climate Change	6. Employee Safety and Health	14. Risk Management and Response
3. Green Operations	7. Employee Training and Development	15. Business Ethics, Anti-Corruption, and Anti-Money Laundering
4. Sustainable Insurance	8. Technology Innovation and Research	16. Privacy and Data Security
	9. Protection of User/ Customer Services and Rights	17. Intellectual Property Protection
	10. Responsible Products and Services	
	11. Supply Chain Collaboration and Management	
	12. Social Welfare and Contributions	

During the Reporting Period, the Group identified and confirmed a total of 6 highly material issues, 7 moderately material issues, and 4 general material issues.

The Group believed that the concrete actions and steadfast commitments undertaken to achieve the sustainable development goals promoted by the United Nations were of vital importance. In our efforts to promote various sustainable development issues, we actively contribute to ensuring that our efforts are closely linked to the United Nations Sustainable Development Goals (UNSDGs) at the core of the Group, thus making a meaningful contribution to global sustainable development.

Main chapters	Corresponding UNSDGs	Material issues	Response chapters
Governance Dimension	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	Corporate Governance Risk Management Business Ethics Intellectual Property Protection Privacy and Data Security	ESG Governance Framework Internal Control and Risk Management Business Ethics, Anti-Corruption, and Anti-Money Laundering Intellectual Property Protection Privacy and Data Security
Operation Dimension	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Protection of User, Customer, and Consumer Rights Research and Development Insurance Agents Strategic Channel Partners Supplier Management	Customer Service and Rights Technology Innovation and R&D Insurance Agents Strategic Channel Providers General Supply Management

Main chapters	Corresponding UNSDGs	Material issues	Response chapters
Society Dimension	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 11 SUSTAINABLE CITIES AND COMMUNITIES 10 REDUCED INEQUALITIES	Protecting Employee Rights Health and Safety Development and Training Social Responsibility and Contribution	Employee Compliance and Rights Employee Health and Safety Employee Training and Development Social Responsibility and Contribution
Environmental Dimension	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Environmental Protection Energy Use Addressing Climate Change Green Operations	Energy Conservation and Emissions Reduction Management Energy Conservation and Emissions Reduction Management Addressing Climate Change Green Operations Practices

1.2 Risk Management and Response

Zhongmiao places a high priority on risk management in its daily operations, viewing it as the cornerstone of the Group's steady development. By establishing a systematic and comprehensive risk management mechanism, the Group ensures that risk control is integrated throughout the entire operational process and covers every stage. To this end, the Group has specifically formulated the "Comprehensive Risk Management Measures," which set forth clear regulations and requirements across three key dimensions: organizational structure, management processes, and cultural development. At the same time, the Group has strengthened risk identification, analysis, assessment, and optimization to ensure that the risk management system adapts to changes in the internal and external environment, thereby safeguarding the Group's steady development.

Strengthening the Organizational Structure and Ensuring Tiered Management Accountability

The Group has established a multi-tiered risk management organizational structure. Under the supervision and oversight of the Board and senior management, the responsibilities of each department are clearly defined, forming a top-down collaborative control system. Specifically, the Strategic Management Department is responsible for formulating overall risk management objectives and strategic plans, and for coordinating and advancing overall risk management efforts; the Internal Control and Audit Department is responsible for supervising the implementation of various risk management measures to ensure the effectiveness of controls; Each business department focuses on its own operational context, taking responsibility for the identification, assessment, and response to specific risks, ensuring that risk management responsibilities are assigned to specific individuals and implemented at every level.

Standardizing Management Processes to Achieve Closed-Loop Dynamic Control

The Group has established standardized risk management processes covering five key stages, ensuring comprehensive coverage and dynamic optimization of risk control throughout the entire process. Specifically, these include: risk identification and classification, establishment of a risk list, risk assessment, risk response, and risk monitoring and reporting. By conducting regular risk assessments and implementing dynamic monitoring, the Group promptly identifies potential risk points and rapidly implements targeted response measures to keep risks within acceptable limits, thereby ensuring the stable operation of business activities.

Promoting Cultural Development and Encouraging Conscious Practice by All Employees

Zhongmiao integrates risk management into its corporate culture, fostering the core philosophy that "risks are omnipresent, and risks coexist with opportunities", thereby enhancing risk awareness among all employees and translating it into proactive actions. Through conducting diverse risk management training, legal literacy education, and ethical integrity guidelines, it strengthens employees' risk management capabilities to ensure legal and compliant operations. We have also nurtured professional talent, and developed detailed risk inventories and refine the risk inventory and response policies to provide a solid foundation for achieving risk management objectives.

Enhance risk management strategies and strengthen risk response capabilities

In terms of building an industry ecosystem, the Group is pursuing a two-pronged approach with a diversified strategy: On the one hand, it is strengthening in-depth cooperation with insurance companies and strategic channel partners to integrate resources and leverage complementary strengths, thereby providing insurance customers with more diverse and tailored product solutions; On the other hand, leveraging the Group's diverse resource endowments, we are building an "Insurance+" comprehensive service matrix covering multiple sectors such as healthcare, elderly care, wealth management, and risk management. This approach further enhances customer loyalty and customer lifetime value while diversifying business operations to mitigate industry risks.

In terms of technology empowerment, the Group will continue to increase R&D investment and deepen the promotion of "AI+" strategy, driving quality improvement and efficiency gains in risk management through technological innovation. Focusing on the three major areas of risk reduction management, intelligent customer service and intelligent claims settlement, we leverage cutting-edge technologies such as large models and large data analysis to create intelligent services. This drives dual improvements in operational efficiency and service quality, fully demonstrating the Group's comprehensive capabilities and innovative measures in risk response.

We construct ESG risk respond mechanism in systematic manner from three aspects including organization, mechanisms and culture. Organizationally, we will proactively integrate top-tier industry resources and talent, accelerate capability upgrades through investments, mergers and acquisitions, and the recruitment of entire teams, while simultaneously advancing organizational restructuring to drive existing teams toward world-class standards; In terms of mechanisms, we will implement performance-based incentive systems, upholding the principle that employees create and share value in unison. We will stimulate entrepreneurial vitality through diverse methods such as salaries, bonuses, and equity incentives, driving performance growth and value sharing. Complemented by positive incentives like the "Exemplary Medal (樣板勳章)", we will foster an incentive culture guided by benchmarks and fueled by a multiplier effect across the organization, thereby stimulating the organization's intrinsic motivation and sustained vitality.

1.3 Business Ethics, Anti-Corruption, and Anti-Money Laundering

Zhongmiao has always adhered to the principle of operating with integrity and strictly complies with laws and regulations such as the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》). The Group regards compliance management and business ethics as the cornerstone of sustainable corporate development. The Group fully implements business ethics guidelines and compliance policies, establishing a robust compliance management system to combat corruption, graft, and bribery, thereby effectively ensuring the transparency and legality of its business operations. At the same time, leveraging its comprehensive internal compliance management systems and risk control mechanisms, the Group continuously optimizes its compliance governance capabilities to solidify the foundation for high-quality development.

1) Business Compliance Management

Zhongmiao Group has always regarded "responsible business practices" as the core of its strategy, upholding a solemn commitment to diverse stakeholders, including shareholders, customers, employees, suppliers, communities, and the environment, in all its business operations. To effectively fulfill this commitment, the Group has established and continuously refined the Code of Business Conduct, which serves as the fundamental guideline for all business operations and employee conduct across the Group. It comprehensively covers key dimensions such as ethical conduct, compliance, asset protection, fair competition, information disclosure, and diversity and inclusiveness, demonstrating our unwavering commitment to business integrity and compliance, as well as our long-term dedication to the coordinated development of the economy, society, and the environment.

Financial Integrity	• Strictly adhere to financial regulations and policies, uphold the principles of honesty, transparency, and traceability, ensure the accuracy and reliability of financial records, strictly prohibit any illegal, fraudulent, or improper financial conduct, and strictly comply with all applicable laws and regulations
Protecting Company Assets	• Employees are required to properly safeguard, use, and dispose of company assets in accordance with established procedures. They must not sell, transfer, lend, or dispose of such assets, or use them as collateral or security, without prior approval. Strict measures must be taken to prevent the loss, waste, or misuse of assets.
Fair Market Competition	• Participate in market competition in accordance with the principles of integrity and fairness and strictly comply with laws and regulations governing fair competition; refrain from colluding with competitors regarding sensitive information such as costs and prices; uphold market order and protect the legitimate rights and interests of consumers; and promptly consult the relevant authorities if any questions arise.
Insider Trading and Compliance	• Employees are strictly prohibited from trading stocks or securities based on inside information; the confidentiality of inside information must be strictly maintained. We must strictly adhere to relevant international trade regulations; prior to engaging in international business, one must consult the Securities and Compliance Department and the Legal Department, to mitigate compliance risks.
Fairness and Inclusion	• Promote a corporate culture of diversity, equality, and inclusiveness; eliminate discrimination and harassment; ensure fairness in hiring, promotions, and compensation; provide a safe and healthy work environment; and uphold fundamental human rights; require business partners and suppliers to adhere to the same values, prioritize collaboration with those who align with these principles, and gradually terminate partnerships with non-compliant parties.

2) Integrity, Anti-Corruption, and Anti-Money Laundering

Zhongmiao Group places a high priority on anti-money laundering, anti-corruption, and anti-fraud efforts, deeply integrating them into its corporate governance system and ESG strategic framework to earnestly fulfill its social responsibilities. The Group has systematically established and continuously optimized the Anti-Money Laundering Internal Control System and the Management Measures for Anti-Fraud and Complaint Reporting. Through the rigid constraints of these systems and the coordinated implementation of mechanisms, we have effectively enhanced the efficacy of compliance governance, playing a positive role in maintaining financial stability, preventing systemic risks, and promoting sustainable corporate development. Adhering to the values of fairness, impartiality, and transparency, the Group is committed to fostering an ethical and upright business environment and effectively safeguarding the legitimate rights and interests of all stakeholders, including shareholders, employees, customers, and suppliers. At the same time, leveraging a sound governance structure, the Group continuously strengthens the development and oversight of its compliance management system, significantly enhancing its comprehensive risk prevention and control capabilities as well as the modernization of its governance.

To strengthen compliance awareness among all employees and solidify the foundation of their professional capabilities, the Group consistently conducts specialized training and policy dissemination on anti-money laundering, anti-corruption, and anti-fraud. The Group has established a systematic, multi-tiered compliance training system that ensures the comprehensiveness and effectiveness of training across four dimensions: frequency, coverage, content, and format. In terms of frequency, specialized training on anti-money laundering, anti-corruption, and anti-fraud is organized quarterly to ensure that updated policies and regulations are promptly available to all employees. In terms of coverage, the training includes the Group's Board and all members; the full participation of directors fully demonstrates senior management's high priority on compliance efforts. In terms of content, we implement categorized training based on employee responsibilities and risk levels. This includes mandatory foundational training on laws, regulations, and company policies for all employees, as well as specialized guidance for specific roles such as compliance, sales, and finance. In terms of formats, we combine in-person meetings with video-based learning, incorporating specialized lectures, case studies, and scenario simulations to enhance training effectiveness through flexible and diverse methods.

We organized specialized training sessions for all directors and employees during the year, covering topics such as interpretations of laws and regulations, analyses of typical cases, identification and response techniques, and guidelines on reporting channels. We achieved 100% coverage in employee training and 100% participation among directors, effectively ensuring that the concept of compliance is deeply ingrained in everyone's minds and that compliance actions gained tangible results.

Training Scenes of 2025 Anti-Money Laundering, Anti-Fraud, and Anti-Corruption

During the Reporting Period, the Group did not receive any complaints, reports, legal proceedings, or regulatory investigations related to money laundering, corruption, or fraud.

1.4 Information and Data Security

Zhongmiao Group strictly adheres to laws, regulations, and regulatory requirements such as the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), and the Regulation on the Government Information Disclosure of the People's Republic of China (《中華人民共和國政府信息公開條例》), and regards information and data security as a cornerstone of its business operations and development.

Based on its operational realities, the Group has systematically established a comprehensive, well-defined, and highly efficient information and data security management system. It has successively formulated and implemented a series of regulations, including the Information Management Measures, the Data Backup Management Regulations, the Management Measures on Third-party Information Security, the Management Regulations on Personal Information Protection and the Management Regulations on Personnel Information Security. By fortifying security defenses at the source, the Group effectively safeguards the confidentiality, integrity, and availability of information and data, and vigorously protects the privacy rights and information security of the Group, users, clients, and employees.

The Group treats information security and data protection as a strategic priority, establishing a governance framework that spans all business operations, covers every process, and accommodates multiple levels of management. With a focus on customer information, trade secrets, and all types of sensitive data, the Group strictly adheres to laws and regulations while continuously optimizing key areas such as risk identification, access control, encrypted transmission, and incident response, thereby comprehensively enhancing its security capabilities and compliance management standards.

1) Information Security Management

Information Management Processes

Zhongmiao's Information Management Measures, with standardization and precision as their core principles, have established a closed-loop management system that covers the entire information lifecycle. By clearly defining operational standards and management requirements for each critical stage, the measures ensure that information remains secure and well-organized throughout its creation, use, and disposal, thereby maximizing the effectiveness of information assets.

Information management process	Key steps in the information management process
Organizational system of information management	The information technology department is the comprehensive management organization and operation and maintenance organization of the information system, specifically responsible for technical support, maintenance and management of the operating environment and website security; It is also responsible for the guidance, coordination and supervision of information system. Each department is responsible for the collection, submission, review and release of information related to its responsibilities.

Information management process	Key steps in the information management process
APP information collection	The Group collects users' personal information only when necessary and in accordance with the law. When collecting information via the APP, the purpose is clearly communicated, collected information is used as declared, and sensitive information for new use cases requires secondary confirmation. Client information is stored in a cloud database with access restricted by permissions, and sensitive information is desensitized.
Information review and release	It stipulates the review system and process of information release of each department. Key review considerations include confidential and sensitive information, data accuracy and timeliness, and the consistency of information and responsibilities.
Confidentiality and security of information management	Strictly abide by the norms of information release. Dynamic information management is strengthened to promptly address anomalies. Departments regularly or as needed update account passwords for information publication platforms to ensure information system security. The information technology department strengthens the application of security technology, improves infrastructure and strategies, and enhances security and emergency response capabilities.
Permission management	The information technology department designates account administrators, allocates permissions based on the principle of minimization to prevent authorization beyond functional limits, and conducts regular audits to deactivate invalid permissions.

Cybersecurity Graded Protection

Zhongmiao Holdings' Intelligent Insurance Service Platform during the year has strictly adhered to relevant regulations and technical standards to comprehensively advance the implementation of Level 3 Cybersecurity Graded Protection (Graded Protection). Following an on-site assessment by a nationally accredited third-party evaluation agency, the platform was found to meet Level 3 requirements across ten key areas, including the physical security environment, communication networks, network boundaries, computing environments, and management centers, as well as management systems, organizational structure, personnel, construction management, and operations and maintenance management. Its overall security capabilities and compliance standards have received authoritative certification.

The Platform has officially obtained the Cybersecurity Level Protection Filing Certificate (《網絡安全等級保護備案證明》) issued by the public security authorities (Filing No.: 37021228007–21001), marking the successful completion of the Level 3 cybersecurity assessment and filing, with security capabilities meeting the standards for core systems in the financial industry. This achievement fully demonstrates the Group's unwavering commitment to data security and user privacy, and lays a solid security foundation for the platform's stable operation, service upgrades, and integration with regulatory technology systems.


网络安全等级保护
备案证明

依据《中华人民共和国网络安全法》和《信息安全等级保护管理办法》的有关规定，青岛海尔保险代理有限公司单位的：

第 三 级 众淼控股智能保险服务平台系统

予以备案。

证书编号：37021228007-21001

中华人民共和国公安部监制

备案公安机关公章

2025 年 9 月 11 日

2025 Level 3 Cybersecurity Level Protection Filing Certificate

2) Information Security Training

To effectively safeguard user and customer data, the Group's trade secrets, and other sensitive information, the Group relies on a robust information and data security management system to continuously conduct multi-level, frequent, and comprehensive security awareness education and practical skills training.

Information security training achieved full coverage of directors and all employees during the year. The training formats were flexible and diverse, encompassing onboarding training, periodic refresher courses, ad hoc specialized training, and regular weekly briefings; the content was systematic and comprehensive, focusing on key areas such as data classification and protection, customer information and privacy security, information system security management, data backup management, and third-party information security management; Training methods adopted a blended approach combining online and in-person sessions, balancing effectiveness with convenience, to comprehensively enhance the security awareness and compliance capabilities of all employees.

3) Information Security Audits and Rectification

To establish a comprehensive information security management system, Zhongmiao relies on annual information security audits and a continuous improvement mechanism to continuously enhance the Group's protective capabilities and management standards in the areas of information and data security.

Information Security Audits

The Group has established a routine, systematic annual information security audit mechanism. Strictly adhering to national laws and regulations as well as industry regulatory requirements, and closely integrating these with its own business model, technical architecture, and operational realities, the Group systematically conducts comprehensive and in-depth internal information security audits. This mechanism not only upholds compliance standards and reinforces the strict enforcement of regulations but also prioritizes both risk-oriented and value-driven approaches, driving the evolution of information security governance from mere regulatory compliance to capability-based and practical compliance.

In its information security audits, the Group focuses on two core risk areas: privacy compliance risks and system security risks. Privacy compliance risks primarily arise from increasingly stringent domestic and international data protection regulations. Failure to strictly enforce compliance requirements in critical stages such as the collection, storage, use, and sharing of customer information can easily lead to legal disputes, regulatory penalties, and damage to the brand's reputation; System security risks, on the other hand, are often caused by internal and external threats such as software vulnerabilities, weak password configurations, failure to apply timely patches, and cyberattacks, which may result in the leakage of sensitive data, business disruptions, or even significant financial losses.

The information security audit framework, covering five key dimensions, pays special attention to key risks, including privacy protection compliance risks, information system security vulnerabilities, and cyberattacks. The scope of the Group's information security audit comprehensively covers five key areas:

I: Equipment and System Security	Focusing on the stability, availability, and resilience against attacks of core infrastructure such as servers, databases, and cloud platforms
II: Data Security	Focusing on customer information and core business data, we strengthen safeguards for confidentiality, integrity, and availability throughout the entire lifecycle
III: Cybersecurity	Ensure that data exchange within and outside the application system is secure and controllable, and prevent data leaks during transmission and cyberattacks
IV: Internet Compliance and Registration	Strictly enforce the filing, registration, and dynamic management of online assets such as domain names, apps, and mini-programs
V: Industry Regulation and Compliance	Precisely align with the specific regulatory requirements for key industries such as finance and healthcare in the insurance sector

Through in-depth analysis of each stage such as information collection, storage, processing, sharing, and destruction, the audit precisely identifies gaps in privacy compliance, high-risk system vulnerabilities, potential network intrusion threats, and gaps in management processes, thereby establishing a closed-loop system comprising a list of issues, rectification measures, and optimization recommendations. Building on this foundation, the Group continues to advance the iteration of security strategies, upgrade technical safeguards, and enhance staff awareness, effectively translating audit findings into governance effectiveness. This accelerates the strategic shift in information security governance from "reactive response" to "proactive prevention and continuous optimization," thereby comprehensively strengthening the digital security foundation for high-quality development.

Security Enhancement and Rectification

In response to the issues identified by the information security audit, the Group has attached great importance to them and responded swiftly, launching a comprehensive rectification effort. We are committed to integrating a problem-oriented, goal-oriented, and results-oriented approach, while promoting coordinated advancement, systematic governance, and addressing both symptoms and root causes: On the one hand, we are focusing on critical vulnerabilities and potential risks, formulating actionable corrective measures for each issue, and ensuring accountability and closed-loop management. On the other hand, with the establishment of long-term mechanisms as our foundation, we are continuously optimizing the information security governance system, strengthening technical protection capabilities, standardizing management processes, and comprehensively enhancing information security protection levels and compliance management effectiveness.

The specific rectification efforts will be steadily advanced with a focus on the following three areas: First, improving the classification and tiered management of data to strengthen the foundation of data security governance; second, fully implementing data encryption and protection across all systems to enhance security capabilities throughout the entire data lifecycle; and third, strictly standardizing the configuration and dynamic management of access permissions to ensure compliance with the principles of least privilege and alignment of authority and responsibility.

Data Classification
Based on the sensitivity and importance of data, it is divided into different levels, and differentiated security management strategies are implemented to ensure the most stringent protection of highly sensitive data.

System Data Encryption
The Group encrypts its critical business systems and important data to prevent data from being stolen or tampered with during transmission and storage.

Access Permissions
By refining access permissions for employees and partners, adhering to the principle of least privilege, granting only the minimum data access required to perform their duties, and regularly reviewing and updating permission settings, we effectively mitigate information security risks arising from the misuse of privileges.

During the Reporting Period, the Group did not experience any information security incidents or data breaches; furthermore, no significant credit security risks requiring special attention or corrective action were identified.

1.5 Intellectual Property Protection

Intellectual property protection is a core competitive advantage of the Group. Zhongmiao strictly adheres to laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》). Leveraging the legal framework and contractual mechanisms, and utilizing tools such as confidentiality agreements and non-compete clauses, the Group has established an intellectual property management system that covers the entire lifecycle of creation, utilization, protection, and management, thereby systematically mitigating legal and commercial risks.

The Group focuses on core areas such as patents, trademarks, copyrights, technological achievements, and trade secrets. It has established the Intellectual Property Protection Management Process (《知識產權保護管理流程》) to define management standards and implementation requirements: internally, to standardize employee conduct and clarify ownership of intellectual property; externally, to strictly adhere to compliance standards and mitigate infringement risks. The Group systematically advances these efforts through three key areas: management processes, training, and infringement response.

Intellectual Property Management Process

The Group has formulated a comprehensive intellectual property protection policy to clarify the purpose of protection and the ownership of rights, aiming at strengthening the standardized management of intellectual property rights, encouraging employees to innovate and technological transformation, and promoting the application of intellectual achievements transformation and technological progress. The policies specified that the Group enjoys the exclusive right to use trademarks and patents in accordance with the law, and the intellectual achievements of employees arising from their work belong to the Group. If there is no other special agreement, the inventions and creations in the cooperative project shall be owned or jointly owned by the Group.

The intellectual property management of the Group encompasses four key stages, application, record management, confidentiality, and access approval, thus forming a closed-loop management system: In the application stage, the R&D project leader evaluates the results and submits a request form; after obtaining joint signatures from multiple departments and approval from the General Manager, the Group proceeds with the intellectual property application or implements confidentiality management for trade secrets; In the records management phase, upon completion of the application, the project leader properly archives the documents and simultaneously files the relevant certificates; in the confidentiality management phase, the technology department is uniformly responsible for managing confidential records to strictly prevent information leaks; in the access and approval phase, non-R&D personnel must undergo multi-level approval before accessing confidential records.

When carrying out intellectual property cooperation with partners, the Group shall specify the ownership of intellectual property, term of use, application scenario, restrictions terms and liability for breach of contract in a written agreement. If the use of trademarks and patents that need to be filed is involved, the filing procedures shall be handled in strict accordance with the law. The application submitted by the business agent shall undergo joint review by the legal, compliance, and business departments to verify its validity and usage compliance. Upon passing the review, it shall be submitted to the general manager for approval. Only after approval can relevant intellectual property be utilized.

Intellectual Property Training

The Group conducts regular, tiered, and categorized training programs tailored to operational realities and intellectual property protection needs: For all employees, we periodically offer training on intellectual property laws and regulations, as well as the fundamentals of trademark and patent management, to comprehensively enhance employees' awareness of intellectual property protection and their basic response capabilities; For employees in key roles such as R&D, technical positions, and brand promotion, the Group periodically invites external professional organizations to conduct specialized training on patent, trademark, and copyright applications, as well as the protection of the Group's trade secrets, to strengthen their professional competence.

Response to Intellectual Property Infringement

The Group places a high priority on intellectual property risk management. It has established a robust mechanism for addressing infringement and implemented a range of measures to safeguard its intellectual property rights. By proactively mitigating infringement risks and efficiently resolving infringement disputes, the Group effectively protects its core competitiveness and legitimate rights and interests. These specific measures are reflected in the following areas:

As of the end of the Reporting Period, the Group had accumulated the following intellectual property achievements:

24 trademarks	Covering a wide range of product and service categories across the Group, we have comprehensively established and strengthened our brand protection system, which includes 4 registered trademarks in Hong Kong.
4 invention patents	Focusing on technologies and application systems related to insurance services, 3 additional patents are currently pending registration
55 computer software copyrights	Covering autonomous results such as core insurance business systems, operational service platforms, and client-side applications
5 domain names	Comprising the Group's official website and those of its agencies to build a diversified online brand ecosystem

During the Reporting Period, the Group was not involved in any material violations of laws or regulations related to intellectual property in the course of its business operations. There were no instances in which the Group bore legal liability for intellectual property infringement, nor were there any pending lawsuits in this regard.

2 SOCIETY: UNITING EMPLOYEE STRENGTH TO CREATE SOCIAL VALUE

Zhongmiao strictly complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Law on the Prevention and Control of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》), the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), and the Minor Protection Law of the People's Republic of China (《中華人民共和國未成年人保護法》), the Special Regulations on Labor Protection of Juvenile Workers (《未成年工特殊保護規定》), and the Regulations of the People's Republic of China on the Prohibition of Child Labor (《中華人民共和國禁止使用童工規定》), among other laws and regulations, and consistently prioritizes the protection of employee rights. Upholding the principles of fairness, diversity, and inclusion, the Group is committed to creating a fair, safe, and healthy work environment, laying a solid foundation for the mutual growth of both employees and the Group.

2.1 Employee Compliance and Rights

We have established a comprehensive employee management system. Through scientific and standardized human resources management practices, covering everything from recruitment and attendance tracking to performance evaluations, we ensure fairness and order in employee management. At the same time, we strictly adhere to regulations prohibiting child labor and forced labor, upholding ethical and legal standards to ensure that the Group's working relationships with employees are built on a foundation of legality, compliance, and fairness.

In accordance with relevant laws and regulations, the Group has formulated scientific and standardized employee management systems and labor guidelines. These systems and regulations safeguard employee rights and provide equal opportunities for development. We fully recognize the importance of complying with labor laws and eliminating child labor and forced labor, and we consistently regard lawful and compliant employee management as the cornerstone of the company's sustainable development.

1) Focus on Talent. Strictly Adhere to Compliance

Personnel Management System

To clarify the rights and obligations of both employees and the Group, and to establish a sound organizational management system, the Group has formulated the Personnel Management System in accordance with relevant laws and regulations, which applies to all employees. This system systematically regulates employees' work conduct and career development paths throughout their entire employment cycle, from onboarding to separation, clarifies the personnel rights and obligations of both parties, provides guidelines for the efficient operation of the team, and lays a solid legal foundation.

At the end of each year, the Group formulates the human resources plan for the next year, which was based on its development strategy and business objectives. After submission to the Chairman for approval, the Group systematically recruits new talent within budgetary limits and reviews and adjusts the implementation of the plan every six months to ensure that human resource allocation dynamically aligns with business development. At the same time, the Group has established a comprehensive recruitment management system covering recruitment processes, onboarding and offboarding management, and termination procedures. It dynamically optimizes organizational structures and job roles based on strategic goals and business needs to achieve optimal human resource allocation.

The Group has established clear regulations regarding employee relations: In terms of the attendance, a strict management system is implemented to standardize work conduct; In terms of leave and vacation, a comprehensive process is established to safeguard employees' legal rights; In terms of overtime work, the Group strictly limits overtime hours and compensates employees in accordance with national regulations to safeguard their physical and mental well-being. All employees of the Group are obligated to maintain confidentiality regarding company secrets. Moving forward, the Group will continue to refine its human resources management systems, enhance management standards, create a favorable work environment and development platform for employees, and promote the mutual growth of the enterprise and its workforce.

Workforce Diversity and Employee Turnover

As of December 31, 2025, the Group had a total of 129 employees, all of whom were full-time. During the Reporting Period, 14 employees left the Group, resulting in an employee turnover rate of 10%.

During the Year, the total number of employees and the structure of turnover employee by gender, type, age and region are shown in the following table:

Name of indicator		**2025**
Total number of employees (person)		**129**
Total number of employees by gender (person)	Male	**76**
	Female	**53**
Total number of employees by employment type (person)	Full time	**129**
	Part-time/contract	**0**
Total number of employees by age (person)	Aged below 30	**35**
	Aged 31-40	**72**
	Aged 41-50	**20**
	Aged over 51	**2**
Total number of employees by region (person)	North China	**1**
	East China	**128**
Total employee turnover rate1 (%)	10%	**10%**
Employee turnover rate by gender (%)	Male	**11%**
	Female	**9%**
Employee turnover rate by age (%)	Aged below 30	**8%**
	Aged 31-40	**9%**
	Aged 41-50	**17%**
	Aged over 50	**0%**
Employee turnover rate by region (%)	North China	**83%**
	East China	**7%**

1 Employee turnover rate is calculated as: (total number of departed employees in the category during the Year)/(sum of the number of employees and the number of departed employees in the category at the end of the Year)

2) Prevention of Child Labour and Forced Labour

The Group strictly prohibits the employment of any child labour and forced labour and has complied with all laws and regulations relating to the prevention of child labour or forced labour. According to the provisions of the Personnel Management System formulated by the Group, employees are required to provide authentic information during recruitment, with hiring personnel conducting rigorous reviews of credentials to screen for any indications of child labour or forced labour. The Group also defines working hours and overtime in the system, strictly controls overtime hours, establishes feedback channels, encourages employees to supervise and report; strictly prohibits harassment and abuse of employees; and maintains a zero-tolerance stance towards human rights violations (including but not limited to the use of child labor).

During the Year, the Group did not have any violation of laws and regulations relating to the prevention of child labour or forced labour.

2.2 Employee Health and Safety

Zhongmiao has always regarded the health and safety of employees as a core component of the Group's responsibilities, with clear requirements stipulated in the Code of Business Conduct formulated by the Group. Through the following specific measures, the Group provides a safe working environment for employees, while actively fulfilling corporate responsibility and promoting sustainable development.

In terms of maintaining a safe working environment, the Group prioritizes safety above all, ensuring the safety of its employees and any individuals entering the Group's premises. The Group conscientiously complies with health and safety guidelines to maintain a healthy and hazard-free workplace. Employees of the Group are required to proactively report potential safety hazards and pay attention to the safety conditions of their colleagues. The Group is committed to providing a healthy and safe working environment for its employees.

During the Reporting Period, the Group did not have any major violations of laws and regulations relating to health and safety.

In each of the past three years (including the reporting year), the Group has not recorded any work-related injuries or fatalities.

Name of indicator	Unit	**2025**
Number of work-related fatalities	people	**0**
Number of work-related injuries	people	**0**
Total number of working days lost due to work-related injuries	day	**0**

2.3 Employee Training and Development

We place great emphasis on employee training and development, utilizing a systematic training framework to equip employees with cutting-edge insurance knowledge and professional skills, enhancing their professional ability to serve clients. Meanwhile, we have also established diverse incentive measures, including incentive bonuses, monthly recognition awards, and promotion opportunities, to fully motivate employees. Through a variety of employee engagement activities, we strengthen team cohesion and foster a sense of belonging, creating a sustainable career platform for employees to promote mutual growth for individuals and the Company.

1) Vocational Training and Skills Enhancement

The Group implements a diversity policy to create an equal and inclusive growth environment for employees with different backgrounds. In terms of training, it not only focuses on skills training, improving employees' professional and management capabilities through technical and management training, but also encourages employees to participate in cross-departmental and cross-field cooperation projects to enhance teamwork capabilities. In career development, we have established clear development plans and promotion pathways, valuing employees' diverse backgrounds and contributions, which are fully considered in promotion decisions to ensure equal opportunities. These initiatives have refined our training system and streamlined promotion channels, thereby expanding the career development prospects for our employees.

The Group provides abundant training resources for employees, including induction training for new employees, to help them quickly understand the Group's business, basic knowledge of the insurance industry and sales skills. It also provides regular professional skills training, covering insurance product updates, risk management, customer relationship management and other content, to enhance business capabilities. There are various forms of training, including online courses, offline lectures and practical exercises, to ensure flexibility and effectiveness.

During the Year, the Group launched a specialized training program for employees titled "Claude Code + minimax – m2–: Boosting Productivity Through AI Coding," which was implemented in two phases: Phase One consisted of intensive hands-on training, with 10 carefully selected employees participating, each completing 2–3 hours of systematic learning; Phase two shifted to self-directed learning and experience sharing. Trainees applied what they learned in the Group's IT-wide chat group using standardized operating documents, and resolved individual issues promptly through peer-to-peer exchanges within the group, thereby consolidating knowledge and fostering a collaborative, win-win learning environment for the team.

2025 Zhongmiao Holdings Employee Training Highlights

During the Year, the structure of employees who participated in the training by gender and employee type is shown in the following table:

Name of indicator		Unit	2025
Total number of trainees		people	**129**
Percentage of employees trained by gender	Male	%	**100%**
	Female	%	**100%**
Percentage of employees trained by employee type	Management	%	**100%**
	Middle-level staff	%	**100%**
	Grass-roots staff	%	**100%**
Average number of hours of training by gender	Male	hour	**7.4**
	Female	hour	**7.3**
Average number of hours of training by employee type	Management	hour	**10.8**
	Middle-level staff	hour	**12.1**
	Grass-roots staff	hour	**6.9**

2) Motivating Teamwork and Heartfelt Care

The Group adheres to the core principles of fairness, transparency, and motivation to build a scientific, comprehensive, and competitive compensation and benefits system. At the basic security level, we provide stable monthly salaries and various living allowances – including heating, high-temperature, company anniversary, Spring Festival shopping, and clothing allowances – to effectively cover employees' daily needs. At the performance incentive level, we have established a dual-track system of quarterly and annual profit-sharing bonuses, which not only spurs short-term motivation but also guides long-term value creation; At the same time, we implement the "Monthly Star" selection program, using multi-dimensional metrics to identify role models and awarding them cash incentives to continuously ignite organizational vitality and innovation momentum.

Regarding statutory benefits and health care, the Group strictly adheres to national and local policies, fully contributing to the Five Insurances and One Fund to ensure comprehensive social security coverage for all employees; annual company-wide health checkups are organized to dynamically monitor employees' physical and mental well-being, helping them perform at their best. This series of measures not only demonstrates the rigor of our systems but also highlights our humanistic care, laying a solid foundation for employees to work with peace of mind.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on sustainable development, the Group deeply practices the ESG concept and deeply integrates employee care into the core of its corporate strategy. During the Year, the Group regularly carried out diversified employee activities such as outdoor outreach, cultural salons, and thematic recreation, including the Women's Day lacquer fan handmade blessing activity, quarterly collective birthday parties, outdoor hiking, and employee retirement farewell ceremonies, to effectively enhance employees' sense of belonging and happiness, and continuously strengthen organizational cohesion and corporate culture identity. This has created a healthy, positive, and mutually beneficial work ecology, which not only empowers employee growth but also builds a solid core talent foundation for the Group's high-quality development, truly achieving the resonance and mutual achievement of individual value and organizational mission.

Highlights of Employee Activities in 2025

2.4 Social Welfare and Contributions

Zhongmiao not only provides clients with professional and comprehensive risk protection solutions in the field of insurance services, but also actively engages in social welfare undertakings to give back to society with practical actions. By participating in and organizing public welfare activities, we continuously support the care of vulnerable groups and social contributions. These initiatives of the Group not only reflect Zhongmiao's firm commitment to social responsibility, but also contribute positive forces to building a harmonious society.

Case – Warming the Sunset Years • Practicing Public Welfare

The Group actively fulfills its social responsibilities and deeply participates in public welfare initiatives. In collaboration with the Qingdao Yinian Elderly Support Charity Service Center, it jointly launched the "Warm Sunset • Daily Kindness Meals (情暖夕陽 • 善行日膳)" outreach program. Through concrete actions, the Group supports the operation of the non-profit vegetarian restaurant "Yinian Daily Meal Workshop(一念日膳坊)", providing free meals and compassionate assistance to vulnerable groups such as elderly individuals living alone, the childless and bereaved, people with disabilities, and impoverished seniors – delivering warmth and kindness. This public welfare initiative demonstrates the Group's commitment to caring for the community and serving society, helping to build a harmonious and inclusive social ecosystem while advancing both commercial value and social value in tandem.

Zhongmiao Group's 2025 Spring Festival Public Welfare Outreach Program

3 OPERATION: TECHNOLOGY INNOVATION EMPOWERMENT, OPTIMIZING SERVICE AND SUPPLY

Zhongmiao adheres to the development philosophy of "technology-driven innovation, client-centricity, and cooperation for mutual benefits". We continuously build online insurance service platforms to enhance service response and operational efficiency through digitalization and intelligence; we focus on user and client experiences to provide high-quality insurance services and effectively protect the rights and interests of clients and customers; we build a multi-level, professional, and compliant cooperation ecosystem covering insurance agents, strategic channel providers, and suppliers to ensure the breadth, depth, and sustainability of service resources. The three dimensions work synergistically to consolidate the foundation of high-quality development.

3.1 Escorting Enterprises and Families

The Company creates multi-dimensional innovative scenarios centering on the personalized needs of different industries on the enterprise side and different user groups on the household side. We deepen featured scenarios such as the Corporate Insurance Interactive Service Platform, photovoltaic scenarios, corporate employee service scenarios, health, and pension, to continuously expand the growth space for scenario customization. All businesses have experienced strong growth, effectively providing comprehensive risk protection for enterprises, families, and people's livelihood, and achieving the synergistic development of commercial and social values.

1) Enterprise Side: Building a Solid Defense Line of Protection

The Group's Corporate Insurance Interactive Service Platform continues to focus on business scenarios on the enterprise side. Centering on the diversified and fragmented insurance needs of corporate clients, we continuously iterate and upgrade our product system, expanding protection dimensions and service depth to help enterprises prevent operational risks and stabilize business development, practicing the core ESG concept of "empowering sustainable corporate operations"; meanwhile, driven by ecological co-creation, we broadly attract high-quality partners to accelerate the construction of an open and collaborative platform-based insurance ecosystem. The platform effectively solves common industry challenges such as single procurement channels and high premium costs for corporate insurance, as well as the difficulties and high costs of acquiring customers for insurance companies. It effectively promotes the two-way empowerment of cost reduction and efficiency enhancement for enterprises and precise customer acquisition for insurance companies, not only helping enterprises reduce operating costs and enhance risk resilience, but also assisting insurance companies in optimizing resource allocation and achieving green and efficient development, highlighting the practical value of ESG. During the Reporting Period, the platform achieved a premium income of approximately RMB94.20 million, representing a year-on-year increase of 84.0%; related revenue increased by 75.6% year-on-year, demonstrating a sound development trend of rapid dual-wheel growth in both premiums and revenue.

Targeting the typical green energy application scenario of distributed photovoltaic for farmers, the Group has gained deep insights into its characteristics such as open-air layout, strong environmental dependence, complex electrical operation, and high correlation between people and property. We systematically identified multi-dimensional risks such as equipment damage, natural disasters, third-party liability, and personal accidents, innovatively launching a full-chain, one-stop exclusive insurance solution covering photovoltaic assets, farmers' household property, and third-party personal and property losses. With risk protection as the link, this solution strongly supports the steady promotion of green energy projects, facilitates the implementation of the national dual-carbon strategy and green, low-carbon development, and effectively safeguards the robust operation of photovoltaic projects and the protection of farmers' rights. At the same time, it empowers rural revitalization, fully reflecting the unique value of insurance in serving the real economy, escorting people's well-being, and promoting sustainable development, demonstrating the Company's ESG commitment in terms of environmental protection and social responsibility. During the Reporting Period, this scenario achieved an incremental premium of approximately RMB12.60 million, representing a substantial year-on-year increase of 380.3%, showing strong growth momentum and sustainable social value potential.

2) Household Side: Guarding the Warm Home Front

The Group continues to deepen the construction of a comprehensive family protection system, launching comprehensive family insurance products covering multiple dimensions such as life and health, accident, property, and automobile insurance, to build an all-around, multi-level risk protection network for thousands of households, effectively safeguarding families' economic security and life stability. By building a solid family risk defense line, it reduces the possibility of families falling into economic difficulties due to accidents or illnesses, helping to improve the level of social livelihood protection and families' risk resilience. During the Reporting Period, the underwriting premium on the household side amounted to approximately RMB1,314 million, representing a year-on-year increase of approximately 5.2%, providing solid protection for a cumulative total of over 626,000 families. It achieved the synergistic development of commercial and social values.

At the same time, the Group actively expanded new scenarios for education protection, launching student safety insurance services for primary and secondary school students. The coverage spans core responsibilities such as accidental injury, illness and death, hospitalization, and major diseases, effectively filling the gap in campus risk protection. During the Reporting Period, the premium contributed by student safety insurance was nearly RMB6 million, becoming an important starting point for the Group's education insurance layout. In addition, the Group also provides diversified commercial pension insurance products, including whole life insurance and annuity insurance, accurately matching the pension planning needs of different client groups. This helps clients achieve a financially stable, high-quality, and happy later life, actively contributes to improving the social pension security system, alleviates the social pressure of elderly care, and further enriches the connotation of ESG practices, conveying the concept of sustainable development.

3.2 Scientific and Technological Innovation and R&D

The Group regards IT R&D as the core of technological innovation. Integrating AI technology, we not only drive technological breakthroughs and industry changes through a sound system and forward-looking investment layout, but also integrate the concept of sustainable development into innovation practice. We optimize insurance services with our self-developed systems to continuously promote the deep integration of technology and ESG.

1) R&D Management System

The Group's IT technology research and development focuses on cutting-edge technology areas such as artificial intelligence (AI) and data analysis, and is committed to developing digital solutions for the insurance industry. To ensure that R&D activities are efficient, standardized, transparent, and closely aligned with the Group's overall strategic objectives, the Group has built a systematic and standardized R&D management system. Supported by three core policies, this system comprehensively covers key links such as R&D process management, intangible asset protection, and the transformation of achievement value:

Regulations on R&D Management System

- It clarifies the management requirements for the full life cycle of R&D, covering links such as project initiation review, process control, project conclusion acceptance, and outcome transformation, ensuring that R&D work is carried out in an orderly manner and resources are efficiently allocated, continuously driving technological innovation and sustainable development.

Management Standard for Independently Developed Intangible Assets

- It systematically standardizes the registration, assessment, archiving, use, and confidentiality mechanisms for intangible assets such as software copyrights, patents, algorithm models, and data assets formed through independent R&D, effectively safeguarding the security and value realization of core technological assets.

Declaration, Maintenance and Update Management of R&D Achievements

- It establishes a closed-loop management mechanism for R&D achievements from declaration and certification, daily maintenance, to iterative upgrades; synchronously improves incentive and constraint mechanisms, providing special rewards for excellent R&D achievements and innovative designs, and implementing reviews and optimizations for projects that fail to meet standards; it strengthens the full-process protection of intellectual property rights and infringement response capabilities, consolidating the Group's technological leading advantage and innovation competitiveness in the industry.

Relying on the solid implementation of the above system, the Group has achieved remarkable results in R&D and innovation. Over the years, all R&D projects have been advanced strictly in accordance with system requirements, and multiple key technological breakthroughs and platform constructions have been completed cumulatively. During the Reporting Period, Zhongmiao Technology continued to increase R&D investment. Focusing on intelligent services, precise risk control, and personalized experiences, we successfully initiated and advanced multiple high-value R&D projects. Through digital and intelligent means such as AI modeling, intelligent underwriting, real-time risk early warning, and customer behavior analysis, we have significantly improved operational efficiency and service quality, effectively enhanced clients' sense of gain and trust, and strongly supported the in-depth development of the Group's digital transformation strategy.

2) R&D Empowerment and Self-developed Outcomes

Zhongmiao regards technological innovation as the core driving force of sustainable development, and continuously increases IT R&D investment to build a technical system that supports business growth and innovation upgrades. The Group's R&D team accounts for more than half of the total workforce, and the management is led by senior technical experts, ensuring deep integration of technology and business. In the future, the Group will focus on cutting-edge fields such as AI, big data, and cloud computing to promote business intelligent upgrades, reduce operational costs and increase efficiency, and create greater value for clients.

In terms of ESG practices, technological innovation is becoming an important engine for the Group to practice the philosophy of "technology for good". Through the application of green technology, we optimize data center energy efficiency and promote low-carbon operations to support environmental protection; we comprehensively promote paperless office, developing electronic insurance policies and intelligent claims systems, significantly reducing paper consumption and resource waste; relying on digital platforms and AI customer service systems, we provide remote service support, effectively reducing carbon emissions caused by clients' travel; at the same time, the intelligent claims and AI customer service platforms continuously optimize the customer experience, enhancing service efficiency and user trust.

Zhongmiao has always been exploring the deep integration of digitalization and sustainable development, driving green operations, efficient services, and social value creation through technological innovation, and building a long-term win-win sustainable development ecosystem for stakeholders.

Self-developed Procedures and Systems

Relying on profound IT technological strength and industry expertise, Zhongmiao successfully built a bridge connecting digital solutions for the insurance agency business with real customer needs, continuously expanding the boundaries of IT services. Starting from serving insurance enterprises, the Company has gradually extended its business to multiple fields such as finance, education, and technology, providing one-stop digital services covering intelligent insurance claims, AI-driven service systems, and online training platforms; it has also custom-developed and implemented core business systems for several non-bank financial institutions. The Group attaches great importance to independent R&D and has formed a batch of mature, stable, and reusable technological outcomes. The following are some of the software and systems already online and in use.

Software, system	Key functions
Insurance marketing and sales system	A system which supports the sale of online products and general insurance services, and provides tools for business such as policy management, policy renewal notifications, and insurance premium quotations.
Insurance claims system	Specifically designed for insurance claims and arbitration, supporting full-process tracking of claims and an online closed-loop reporting process. It utilizes AI-OCR technology to achieve rapid identification and automatic review of materials, enhancing claims efficiency.

Software, system	Key functions
Online training system	Suitable for scenarios such as on-the-job training and qualification certification, supporting customized training plans and question banks, fully tracking training results, and providing data analysis on learning time and teaching quality.
Insurance intermediary core business system	Geared towards insurance providers, covering three major management modules: personnel, business, and finance, assisting in compliance construction, efficiency enhancement, and data accumulation.
AI service system	Certificate recognition service: Based on AI-OCR technology, it supports rapid identification of various cards and documents such as ID cards, bank cards, and driving licenses. Document processing service: Utilizing OCR and NLP technologies, it enables content recognition, information extraction, and text comparison for complex texts such as insurance policies and contracts. Computer vision recognition services: Combined with deep learning algorithms and luminance stereo algorithms, it provides functions such as visual detection, 3D measurement, and defect detection. Intelligent car wash service platform: Innovatively creates "self-built standardized equity service capabilities", empowering intelligent car washing with AI and smart hardware, focusing on efficient, green, and replicable car wash services.

Case – Zhongmiao Anshu Intelligent Defense System Platform

This project centers on the R&D and application of an intelligent IoT platform and integrated firefighting robots to comprehensively enhance warehouse operational efficiency and safety management levels. Through real-time monitoring and intelligent management of warehouse space, patrols, equipment, and hidden risk hazards, it optimizes operational workflows and reduces human errors; relying on a unified data center, it realizes risk identification, fault early warning, and rapid response, strengthening proactive prevention and emergency handling capabilities; concurrently, leveraging intelligent risk assessment and policy management, it optimizes insurance services and reasonably controls premium expenditures, generating considerable economic benefits and market reputation for enterprises while improving warehouse safety efficiency.

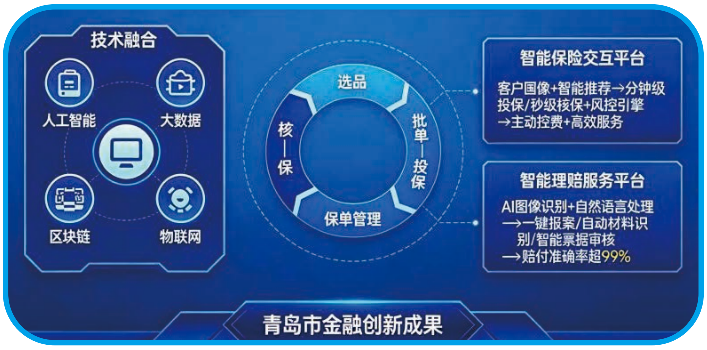
The project is constructed around three major modules: the intelligent IoT platform, the insurance management module, and the integrated firefighting robot. The intelligent IoT platform builds a cockpit master control interface, integrating systems for warehouse space, intelligent patrols, equipment monitoring, and hidden risk hazard management to achieve full-scenario visual and digital management; the insurance management module realizes the binding of insurance policies to warehouses, full-process tracking of hidden hazards, automatic generation of risk assessment reports, and smart big screen display, bridging the data link between safety management and insurance services; the integrated firefighting robot possesses functions such as autonomous patrol, precise navigation, environmental perception, automatic fire extinguishing, remote control, and emergency assistance, providing hardware support for warehouse emergency handling.

Through technological innovation, this project promotes the transformation of warehouse management towards intelligence, safety, and efficiency. It can effectively lower the probability of accidents, increase emergency response speed, optimize warehousing operational efficiency, and achieve precise control of insurance costs. The implementation of this project is of great significance to strengthening enterprise safety assurance capabilities, reducing costs and increasing efficiency, and enhancing core competitiveness. It is recommended to accelerate its rollout to provide solid support for high-quality warehouse operations and sustainable corporate development.

Intelligent Warehouse Management Scenario of the Zhongmiao Anshu Intelligent Defense System Platform

Case – Self-developed "Zhibao Jiepei (智保捷賠)" AI Platform

The Group's self-developed AI-driven insurance service system, "Zhibao Jiepei", successfully featured among Qingdao's financial innovation achievements. The system deeply integrates artificial intelligence, big data, blockchain, and IoT technologies to build an intelligent service platform covering the entire process of "product selection – underwriting – policy application – endorsement – policy management". It is dual-driven by the "intelligent insurance interactive platform" and the "intelligent claims service platform": the former achieves minute-level application and second-level underwriting through client profiling and intelligent recommendations, embedding a risk control engine to propel the industry's transformation toward "proactive cost control + efficient service"; the latter relies on AI image recognition and natural language processing to support one-click reporting, automatic material identification, and intelligent bill review, with a payout accuracy rate exceeding 99%, truly achieving the goal of being "visible, calculable, and quickly compensated".



Zhibao Jiepei AI Platform

As an insurtech enterprise rooted in Qingdao, "Zhibao Jiepei" is not only a concentrated reflection of the Group's technological accumulation in fields such as risk pricing, intelligent risk control, and digital operations, but also a practical model responding to the national fintech plan and policies for the high-quality development of insurance. The project has been implemented and applied in multiple insurance companies, significantly improving service efficiency, risk control capabilities, and the client experience, providing a replicable and scalable innovative paradigm for Qingdao to build a new highland for digital insurance services.

3.3 Customer Service and Rights

As a professional and responsible insurance intermediary service company, Zhongmiao always puts the service to and rights protection of insurance clients and insurance company customers at its core. We strictly abide by the Insurance Law of the People's Republic of China (《中華人民共和國保險法》), the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), and other relevant laws and regulations. To effectively ensure insurance clients can enjoy high-quality insurance services and to maintain legal and compliant cooperation with insurance company customers, the Group has formulated a comprehensive and detailed Business Operation Management Policy to guarantee professionalism, accuracy, and efficiency in every service stage. Additionally, to fully protect the legitimate rights and interests of insurance clients and insurance company customers, Zhongmiao has specifically formulated a Complaints and Reporting Management Policy, establishing a robust mechanism for complaint response and resolution.

1) High-quality and Efficient Insurance Services

With the Business Operation Management Policy as the guiding principle, the Group has systematically built an insurance service management system that covers the entire chain and runs through the entire process. This policy not only provides clear standards for each stage of insurance service but also deeply integrates compliance requirements into the management of advertising and marketing materials, strictly preventing false, misleading, or illegal content, and effectively building the first line of defense for consumer rights protection. By continuously optimizing business processes, strengthening hierarchical authorization, improving archive management, and enhancing the collaborative governance capabilities of clients and channels, the Group has achieved the organic unity of service standardization, risk controllability, and operational efficiency, comprehensively solidifying the foundation of service quality, and continuously improving client satisfaction and trust.

In terms of service process management, the Group implements end-to-end closed-loop control, covering key links such as client background investigation, authorization and needs assessment, personalized policy scheme design, scientific inquiry and quotation analysis, policy application handling, policy preservation and routine service support, professional claims assistance, and renewal strategy planning. Each stage is equipped with clear operational standards, responsible entities, and quality checkpoints to ensure timely service responses, prudent decision-making, and precise execution, providing strong support for the high-quality and sustainable development of the insurance business.

Regarding the construction of the support system, the Group adheres to the principles of "unified leadership and tiered management," establishing a business archive management system with clear classification, compatible formats (physical + electronic), controllable security, and convenient access. We promote a hierarchical authorization mechanism with matched rights and responsibilities and dynamic adaptation to effectively prevent operational risks and enhance response efficiency. Concurrently, we are building a dual-track management model of refined client management and standardized channel management: the client side focuses on information review, risk identification, insurance product matching, systematic record-keeping, and tiered maintenance; the channel side centers on dimensions such as admission assessment, cooperation negotiation, archive establishment, agreement approval, behavioral constraints, and performance linkage, achieving collaborative supervision throughout the full lifecycle. The three major support systems empower each other and work synergistically to jointly build a robust, professional, and trustworthy insurance service ecosystem.

Case – High-Quality Insurance Services Empowering Urban Ecology

As an ecosystem-oriented fintech company, Zhongmiao uses "Student Accident Insurance" as its entry point to deeply integrate cutting-edge technologies such as artificial intelligence and big data. It has innovatively established a "new paradigm for digital and intelligent services in student accident insurance", comprehensively covering the entire service lifecycle, including policy application, policy management, risk early warning, and intelligent claims processing. By efficiently integrating with medical insurance data, the platform enables proactive claims processing for student accident insurance, significantly improving response efficiency and user experience, optimizing claim settlement speed and accuracy, and accelerating the deep integration of insurance scenarios with urban data operations. In areas such as student health monitoring, risk identification, and public safety governance, the project fully unleashes the value of public data, creating replicable and scalable benchmark models. By leveraging technology to empower social welfare and modernize social governance, the Company earnestly fulfills its corporate social responsibility and puts the concept of sustainable development into practice. Based on its innovative practices and achievements in data-driven solutions within the medical insurance sector, the Company has officially been designated as a "City Data Operations Union – Scenario Ecosystem Partner (城市數據運營共同體－場景生態合作夥伴)" becoming a key member of the union in the medical insurance field.

This certification not only serves as authoritative recognition of the Company's capabilities in data-driven insurance innovation and scenario implementation, but also marks a crucial step forward for Zhongmiao Holdings in its integrated "Insurance + Data" development strategy. Moving forward, the Company will continue to deepen collaborative partnerships with City Data Operation Union, expanding into diverse data-enabled insurance service scenarios such as campus health, family protection, and community-based elderly care. Leveraging its proven technological foundation and experience in large-scale implementation, the Company will work with all stakeholders to build an open, trustworthy, and sustainable city data operation ecosystem, contributing robust and reliable technological support to the development of smart cities and the Healthy China initiative.

2) Complaint and Reporting Mechanism

Through the Group's Complaints and Reporting Management Policy, insurance clients, insurance company clients, employees, or their stakeholders can promptly and smoothly provide feedback on issues, enabling the Company to address them swiftly and effectively, ensuring proper resolution of concerns. This strong emphasis on protecting and actively upholding rights not only provides a robust feedback mechanism but also earns Zhongmiao the trust and recognition of its clients, laying a solid and stable foundation for the Group's sustainable development.

We handle complaints and reports in accordance with the channels, methods and processes stipulated in the Complaints and Reporting Management Policy, provide clients, partners, employees or other stakeholders with real and effective company complaint channels and methods, respond to complaints in a timely manner and feedback to relevant departments; establish daily management and testing mechanisms to regularly analyze complaints as a basis for improvement; regularly review and optimize complaint handling mechanisms. We also regularly supervise and inspect the management of complaints and reports to ensure that complaints and reports are handled in a timely and effective manner.

For significant complaints or reports, the securities and compliance department and the information technology department shall, after conducting confidential treatment for the complaint, report, and whistleblower, promptly forward relevant information or materials to the ESG working group leader or their authorized management via email. The ESG working group can put forward evaluation opinions on the impact of the event for reference by relevant departments.

During the Reporting Period, we did not receive any complaints from insurance clients and insurance company customers.

3.4 Supply Partnerships and Management

In terms of supply collaboration and management, Zhongmiao has established a diversified supplier system covering two key business segments: insurance agency and IT services. In the insurance agency sector, the Group connects with insurance companies upstream and reaches insurance customers downstream through insurance agents and strategic channel partners, thereby ensuring efficient product distribution and service delivery. In the IT services sector, the Group provides technical support to clients such as insurance companies and Haier Group, while collaborating with technology suppliers to ensure the stable delivery of technical products. Through standardized management and resource integration across different categories of suppliers, the Group continuously optimizes its partnership mechanisms, strengthens the foundation of its business operations, and supports sustainable development.

1) Insurance Agents

In accordance with the Insurance Law of the People's Republic of China (《中華人民共和國保險法》), the Group has established the Management Measures for Practitioners and the Business Operation Management Policy to clearly regulate the management, welfare, and training development of insurance agents, ensuring their compliance with legal and regulatory requirements while supporting their career development needs, thereby enhancing the compliance of their business conduct, contract quality, and operational performance.

Laying the Groundwork for Compliance: Strengthening the Foundation of Agents Management

The Group strictly abides by relevant laws and regulations, and establishes a set of management mechanism for insurance agents while formulating relevant systems and management measures. This mechanism not only builds a business platform for those who are interested in starting a business in the insurance industry, but also provides them with training guidance, market resources and technical support to facilitate their rapid growth. Meanwhile, the Group is well aware of the importance of regulating the management of insurance agents, so on the basis of giving them support, it also strengthens the management and restraint of them. By formulating a clear code of conduct, professional standards and assessment system, it ensures that insurance agents always uphold an honest, professional and responsible attitude in the process of business development, and provide high-quality and personalized insurance services for insurance clients, thus establishing a close and mutual trust relationship between the Group and insurance agents.

Balancing Compensation and Benefits: Designing Agent Compensation and Benefits

According to the comprehensive management system of insurance agents, the Group has set up a scientific and reasonable compensation and system, aiming at fully stimulating the enthusiasm of insurance agents and strongly supporting their sustainable development and growth in their career path.

The Group offers insurance agents a wide range of benefits, including first-year commissions, sales bonuses, renewal commissions, referral bonuses and other forms of commission and bonus. In addition, they also have the opportunity to enjoy additional direct management allowances, team management costs, institutional operating costs and long-term service allowances. While setting up diversified commissions and bonuses, the Group has also formulated corresponding hierarchical assessment requirements, closely linking assessment with compensation, so as to promote win-win cooperation.

Insurance agents who sign insurance agency contracts with the Group can not only get generous commission and bonus income, but also enjoy comprehensive team benefits. Specific welfare items include group personal accident insurance, one-year fixed-term life insurance and hospitalization medical insurance, which provide solid guarantee for the work and life of insurance agents from all aspects, so that they can devote themselves to the development of insurance business without concerns.

Empowering Talent: Driving the Sustainable Growth of Agents

The Group has established clear regulations and requirements regarding the training of insurance agents, stipulating that newly recruited agents shall undergo training, general agents shall receive training no less than twice per year, and business directors shall undergo training at least once per year, with the organization and management of such training sessions being the responsibility of the respective business directors. Each training session must be documented, with timely assessments conducted as appropriate. In addition, sales staff are required to complete a series of training courses covering pre-employment training, compliance management, professional skills development, and ethics education. The total annual training duration must be no less than 50 hours, ensuring continuous improvement and comprehensive enhancement in legal compliance awareness, professional ethics, and professional competence.

The Group has established a multi-tiered and multi-stream ranking system in accordance with its Insurance Agents management policies. It has also implemented a performance-centric evaluation mechanism to ensure that agent promotions are conducted in a fair and transparent manner. The Group has formulated promotion criteria, which are comprehensively evaluated from multiple dimensions such as performance, professional competence and compliance behavior. Meanwhile, the Group will continue to optimize the compensation and assessment mechanism of insurance agents, and promote the development of the agent team towards a more professional and higher quality direction.

2) Strategic Channel Providers

Working with strategic channel partners is a common industry practice in the insurance intermediary market. The Group uses this model to expand the insurance client base. Strategic channel partners, with their network advantages, can reach a large number of potential insurance clients, covering enterprise and family insurance client groups. When selecting strategic channel partners, we take into consideration their business nature, industry insight, operational scale, and business footprint, and require them to hold the relevant business licenses.

The term of our agreements with strategic channel partners typically ranges from one to three years. During the course of cooperation, partners are responsible for referring potential insurance clients, with our internal sales managers liaising with them to communicate specific requirements. Upon successful purchase of insurance products by clients, we pay referral fees to the channel partners after receiving commission from the insurance companies. This partnership is essential to our business, and failure to establish and maintain a strong relationship could materially and adversely affect business opportunities, results of operations and business prospects.

Through this cooperation mode, the Group, insurance companies and strategic channel partners have established a close trust relationship to achieve a win-win situation. Based on this, we are committed to building a more professional and stable ecosystem, promoting the sustainable growth of business, creating long-term value for industry participants, and further consolidating our leading position in the field of insurance intermediary.

This year, the Group partnered with a total of 29 strategic channel providers, all of which are located in Chinese mainland.

3) Routine Supply Management

Zhongmiao attaches great importance to the management of routine suppliers, and has established a sound supplier management framework to ensure that every stage from screening, evaluation to cooperation follows the principle of high quality and efficiency. Through a strict supplier screening mechanism, we focus on the comprehensive performance in areas such as environmental performance, social responsibility and governance level, so as to promote the sustainable development of the supply chain. Meanwhile, we actively promote the concept of green product procurement by prioritizing environmentally friendly products and services to enhance resource efficiency. These measures not only enhance the transparency and responsibility of the supply chain, but also create greater long-term value for partners and promote the realization of mutually beneficial and sustainable development goals.

Supplier Management Framework

The Group adheres to the principles of standardization, efficiency and compliance. It has formulated the Procurement Management Policy (《採購管理制度》) to centrally manage the procurement of the Group and its subordinate units, ensure the transparency and efficiency of the process, clearly define procurement requirements, and regulate the operation of the business process platform. The bidding procurement strictly follows the Operation Manual for Bidding Projects (《招標項目操作手冊》) and is implemented within the system of the Group.

The Group's procurement process is highly regulated, with effective controls embedded throughout each stage. Sustainability reviews are integrated into the procurement workflow, requiring procurement personnel to evaluate each transaction to ensure supply chain sustainability is managed from the source. Meanwhile, an internal training mechanism has been established, under which employees are regularly trained to enhance the sustainable development awareness of the all staff.

Supplier Screening and Evaluation

In the process of supplier selection, Zhongmiao always adheres to the principle of rigorous and high standards, and is committed to selecting high-quality partners that can meet the business needs of the Group in a long-term, stable and reliable manner. The specific selection criteria cover the following four key dimensions, aiming to comprehensively evaluate the comprehensive strength and suitability of suppliers: product quality and stability, price competitiveness, purification ability and service level, and business ethics and integrity.

When selecting suppliers, the Group comprehensively assesses their environmental and social performance, including business ethics, environmental protection, labor standards, etc. Through the establishment of a transparent procurement system, the introduction of competition mechanism and the strengthening of internal supervision, suppliers are screened fairly and scientifically. The Group treats all suppliers equally, strictly controls all aspects of procurement to eliminate violations, selects high-quality suppliers, establishes long-term cooperation to ensure stable and efficient supply chain, and jointly promotes sustainable development.

The Group has established a comprehensive supplier evaluation mechanism covering pre-cooperation evaluation and post-cooperation evaluation to dynamically and continuously manage suppliers, ensure that they provide high-quality environmental protection products and services, and help the Group achieve green procurement and sustainable development. This mechanism also optimizes the supply chain structure, reduces procurement costs, and enhances the Group's market competitiveness.

During the Year, the Group's routine suppliers by region are shown in the following table:

Name of indicator		Unit	2025
Total number of suppliers		No.	89
Number of suppliers by province	Shandong	No.	53
	Beijing	No.	9
	Shanghai	No.	4
	Guangdong	No.	3
	Zhejiang	No.	3
	Others	No.	9
	Hong Kong, Macao and Taiwan	No.	8

Green Product Procurement

Guided by the principles of sustainable supply chain management, the Group has deeply integrated green development into every aspect of its daily operations and is systematically advancing the implementation of its green office and sustainable development strategies. In the procurement process, we strictly adhere to green procurement standards: we prioritize the use of environmentally friendly paper certified for sustainable forestry, significantly reducing the consumption of virgin wood, energy usage, and pollutant emissions; we vigorously promote the use of recycled paper to enhance resource recycling efficiency and reduce pressure on landfills; for drinking water supply, we prioritize eco-friendly brands and promote reusable bulk containers to effectively curb "white pollution"; regarding office equipment, we have introduced high-efficiency, energy-saving shared printers that support smart standby modes to reduce energy consumption. Through scientific planning and coordinated allocation, we avoid duplicate purchases and idle waste, thereby tangibly improving resource utilization efficiency.

At the same time, the Group has integrated a green qualification mechanism into its supplier management system to verify whether suppliers hold relevant certifications, such as ISO 14001 Environmental Management System certification and green product certification, thereby ensuring that every link in the supply chain complies with environmental protection requirements. This series of initiatives not only reduces environmental impact at the source and strengthens ecological responsibility, but also continuously enhances the Company's social credibility and brand value, effectively promoting the synergistic advancement of economic, social, and environmental benefits and high-quality development.

4 ENVIRONMENT: STRENGTHENING ENVIRONMENTAL MANAGEMENT AND PRACTICING GREEN OPERATIONS

Zhongmiao actively practices the green concept and strives to reduce the impact of operation on the environment. We strictly comply with laws and regulations related to environmental protection, such as the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), and the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), to ensure that the Group fully complies with laws and regulations in its daily business operations. Meanwhile, by optimizing the allocation of resources and implementing energy conservation and emission reduction measures, we continuously reduce our environmental footprint, taking concrete actions to fulfill our environmental responsibilities and contribute to safeguarding the ecological environment.

4.1 Energy Conservation and Emission Reduction Management

Guided by the concept of sustainable development, Zhongmiao consistently regards green environmental protection as a key component of its ESG strategy. As a member of the financial services industry, we fully recognize the significant responsibility we bear in advancing green development. We actively implement eco-friendly operations by promoting paperless offices, electronic contracts, and online approvals, while optimizing temperature, humidity, and lighting in office areas and using energy-efficient appliances. Employees are encouraged to choose green travel options such as public transportation, cycling, or walking. The canteen adopts a self-service weighing model, and resources such as meeting rooms and printers are shared. These initiatives demonstrate the Group's commitment to environmental responsibility and set a practical example for green development within the industry.

In terms of system construction, we have established a sound environmental protection management system on the basis of strict compliance with relevant laws and regulations. Through the formulation of the Energy Resources Management System (《能源資源管理制度》), the Waste Discharge Management System (《廢物排放管理制度》) and the Non-hazardous Waste Management Requirements (《無害廢棄物管理要求》), we advocate all employees to cultivate energy-saving awareness, practice energy-saving concepts, promote green office, and encourage employees to actively participate in energy-saving, providing system guarantee for environmental protection practice. In terms of optimization measures, we actively pursue energy-saving renovation of office space, promote the concept of energy-saving and sharing, implement a new way of food selection for canteen staff, greenify business processes, optimize travel management, and build a green supply chain, integrating the concept of environmental protection into all aspects of daily operations. In the construction of environmental protection culture, we regularly carry out energy-saving publicity activities, utilizing various channels of publicity and training, such as publicity boards, internal meetings, WeChat public accounts, etc., to popularize energy-saving knowledge and methods for all employees, cultivating a company-wide environmental consciousness and deeply embedding green values.

Under the deployment of the energy conservation and emission reduction strategy, the Group optimized and integrated its office spaces, retaining only one office building for centralized operations. Through intensive site management, resource consumption and carbon emissions were significantly reduced, tangibly enhancing the effectiveness of environmental protection efforts. This year, the Group completely suspended the use of natural gas, achieving "zero" natural gas consumption; water and electricity consumption dropped substantially year-on-year, driving a continuous reduction in total energy consumption and corresponding greenhouse gas emissions. These initiatives strongly demonstrate the Group's firm determination and pragmatic actions in practicing the concept of green and low-carbon development and implementing energy conservation and emission reduction requirements, providing solid support for the solid advancement of sustainable development goals.

1) Greenhouse Gas Emissions

A summary of the Group's greenhouse gas emissions and energy consumption for the Year is as follows:

Name of indicator	Unit	2025
Greenhouse gases		
Indirect emissions (Scope 2)[2]	tCO_2e	37.98
Indirect emissions (Scope 3)[3]	tCO_2e	14.56
Total greenhouse gas emissions	tCO_2e	52.54
Total emission density	tCO_2e/employee	0.41
	tCO2e/m^2	0.03
Energy		
Total consumption	MWh	59.72
Purchased electricity	MWh	59.72
Purchased heat	MWh	0
Total energy density	MWh/employee	0.46

2 The factors for the emission data of greenhouse gases (Scope 2) are calculated with reference to the Announcement on the Release of Carbon Dioxide Emission Factors for Electric Power in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China and the Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industries Enterprises (Trial Implementation) published by the National Development and Reform Commission.

3 The greenhouse gas (Scope 3) represent the carbon dioxide equivalent emissions generated by the employees of the Group taking flights for business travel during the Year.

The sources of greenhouse gas emissions of the Group mainly include office electricity and piped natural gas. Due to the relocation of office premises, piped natural gas is no longer used this year, so the emissions from this portion are zero. In addition, the Group does not have any vehicles, so we do not have any exhaust emissions and direct greenhouse gas emissions (Scope 1).

We take measures to save electricity and energy in order to reduce greenhouse gas emissions. By optimizing the office environment, promoting energy-saving electrical appliances and lighting systems, and strengthening the energy-saving management of high-power equipment, energy efficiency will be improved in an all-round way. Meanwhile, the Company implements paperless office, adopts online approval process, reduces paper waste, advocates the use of electronic documents to further reduce resource consumption. In addition, we implement the sharing mechanism of conference rooms, printers and other resources to maximize the efficiency of resource utilization. In daily office work, we encourage employees to save electricity, rationally control the temperature and lighting of office areas, and use low-energy consumption equipment to support environmental protection with practical actions.

During the Reporting Period, the Group's greenhouse gas emission management strictly complied with the relevant national and local environmental protection laws and regulations, with no instances of non-compliance recorded.

2) Waste

A summary of the Group's waste discharges for the Year is as follows:

Name of indicator	Unit	**2025**
Total amount of non-hazardous waste generated	tonnes	**5.18**
Density of non-hazardous waste generated	tonnes/employee	**0.04**

Zhongmiao's service business does not involve industrial production and manufacturing activities, so it will not involve the discharge of waste water and hazardous waste. It will only produce some certain non-hazardous in the office process, mainly domestic waste and paper used in daily office work.

The Group is fully aware of the importance of waste management for environmental protection and sustainable development. In accordance with relevant laws and regulations, the Group has established a sound waste management system and formulated the Waste Discharge Management System, which meticulously regulates the classification, collection, transportation, processing and discharge of waste to ensure the safe, efficient and environmentally friendly treatment of waste.

Based on the classification and nature of non-hazardous waste, we have developed tailored disposal plan. Dedicated waste collection points have been established in office buildings to sort and collect different types of waste, facilitating subsequent processing and recycling. In terms of recycling of non-hazardous waste, the Company will reuse the paper printed on one side and not involving the Company's secrets for secondary printing. Specific recycling points have been set up for office supplies such as paper clips and folders to enable their reuse. For recyclable wastes, such as scrap metal and waste paper, the Company actively cooperates with the operators of office space to recycle them and convert them into renewable resources, so as to realize the recycling of resources.

The Group actively promotes the concept of "zero waste" and strives to realize the reduction, recycling and harmlessness of waste through technological innovation and management innovation.

During the Reporting Period, the Group's waste management strictly complied with the relevant national and local environmental protection laws and regulations, with no instances of noncompliance recorded.

3) Energy Use and Water Resources

A summary of the Group's water usage during the Year is as follows:

Name of indicator	Unit	2025
Total water consumption	m^3	**578**
Density of water consumption	m^3/employee	**4.48**

The Group's use of water resources mainly covers barreled water for daily drinking by employees, as well as tap water for office areas, canteens and greening and cleaning. In addition, the Group's operations do not involve the use of any packaging materials and activities that have a significant impact on the environment and natural resources.

In order to improve the efficiency of water use, we have implemented a series of water-saving measures: promoting direct drinking water equipment to replace barreled water, reducing the use of plastic barrels and cleaning water; installing induction faucets and water-saving toilets in office areas, and regularly checking pipes to prevent leakage; introducing efficient water-saving dishwashing and food cleaning equipment in canteens to optimize water use processes; using drip irrigation system and rainwater collection technology in green areas to reduce irrigation water; using high-pressure cleaning equipment in cleaning operations to improve water use efficiency. In addition, we have established a water resources monitoring system, set annual water-saving targets, and promoted staff awareness of water conservation through publicity activities.

During the Reporting Period, the Group's use of energy and water resources strictly complied with the relevant national and local environmental protection laws and regulations, with no instances of non-compliance recorded.

4) Environment and Natural Resources

We are deeply aware that environmental protection and sustainable development are important corporate responsibilities. Adhere to the concept of green, low-carbon and circular development and through the formulation and implementation of energy resources management system, the Group comprehensively advances energy resource management, proactively identifies potential energy-saving opportunities, and develops detailed energy conservation plans.

Zhongmiao actively practices green concepts, encouraging employees to adopt eco-friendly travel options such as public transportation, cycling, or walking to reduce private car usage, thereby alleviating traffic congestion and air pollution. Through technological innovation, we advance green office practices by developing a mobile policy system for unified online policy management, enhancing convenience of client operation while significantly reducing paper-based documentation. Additionally, we promote remote conferencing methods, such as video meetings, to reduce unnecessary travel and energy consumption. In order to enhance the energy-saving awareness of all employees, the Group regularly carries out energy-saving publicity activities, popularizes energy-saving knowledge through various channels such as publicity boards, internal meetings and WeChat public accounts, organizes professional energy-saving training led by experts to equip employees with energy-saving techniques and methods, comprehensively improving their energy conservation capabilities.

We actively pay attention to the changes of environmental regulations to ensure that the Company's operations strictly comply with relevant laws and regulations. We will also continue to explore more environmental protection measures to continuously improve the Group's performance in environmental and natural resources protection and contribute to sustainable development.

4.2 Addressing Climate Change

Climate change is one of the most severe challenges facing human society in the future, and we always place addressing climate change at the core of our corporate strategy. In accordance with the "Climate-Related Disclosures" requirements in Part D of Appendix C2 "Environmental, Social and Governance Reporting Code" to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, we systematically identify, assess and manage the physical risks and transition risks brought about by climate change, while actively seizing the structural opportunities in the low-carbon transition.

We continuously improve our climate governance framework and clarify the responsibilities of the Board and the management; deeply integrate climate factors into medium-and long-term strategies and business decisions; build a full-process climate risk management mechanism covering identification, assessment, response and monitoring; set scientific, measurable and time-bound carbon emission targets, dynamically track and regularly disclose progress. Adhering to our corporate citizenship responsibility, we fully support the national "dual carbon" strategy, promote green operations, low-carbon innovation and sustainable value chain construction, coordinate the synergistic win-win of economic, environmental and social benefits, and work hands in hands with all parties to build a green future of harmonious coexistence between humans and nature.

1) **Governance**

Zhongmiao deeply integrates climate-related responsibilities into the Company's ESG governance system, building a three-tier collaborative governance structure covering the governance tier, management tier, and operational tier, achieving systematic overall planning and penetrating management of climate issues. This governance structure comprehensively covers the three major dimensions of ESG, explicitly lists climate change as a core strategic issue, and systematically elaborates on the governance mechanism design, division of responsibilities, and practical effectiveness in the dedicated section "ESG Governance Structure".

As the highest governing body, the Board comprehensively oversees the identification, assessment, and response to climate risks and opportunities, continuously tracks the setting of climate targets and progress achievement, and continuously enhances the forward-looking nature, authority, and effectiveness of climate governance by listening to the annual special report of the environmental and ESG leadership group and providing strategic guidance; as the core driving unit, the ESG executive group undertakes the daily monitoring and dynamic assessment functions of climate risks, systematically sorts out transition and physical climate risks, proactively explores potential opportunities such as low-carbon development and green innovation, and takes the lead in advancing the implementation of various climate action plans; meanwhile, the ESG executive group coordinates the collection, verification, and disclosure of climate change-related information to ensure the authenticity, completeness, and timeliness of information disclosure, effectively supporting the dual improvement of the Company's climate governance capabilities and sustainable development performance.

2) **Strategy**

Zhongmiao attaches great importance to the material impact of climate change on the insurance intermediary industry, deeply integrating climate risk management into strategy and operations. We conduct comprehensive risk assessments at least once a year, dynamically track policy, market, and environmental changes, and continuously optimize climate response strategies. We have systematically identified key climate-related risks and opportunities, and evaluated their direct and indirect impacts on underwriting, claims, fund utilization, and customer service from three dimensions: short-term (1-2 years, operational optimization), medium-term (3-5 years, technological upgrade), and long-term (over 5 years, market transition). Currently, we have completed the sorting of climate transition risks and physical risks, and are actively deploying new tracks such as green insurance and sustainable finance to assist the green and low-carbon development of the economy and society.

During the Reporting Period, the Group identified 2 physical risks and 4 transition risks, and formulated corresponding mitigation and preventive measures. Meanwhile, we also identified 2 climate opportunities to grasp the potential space for sustainable development.

Identification of Climate Risks and Response Strategies:

Category	Risk	Risk description	Potential financial impact	Our response
Physical risk	Acute physical risk	Extreme events such as hurricanes, floods, and wildfires will lead to a sharp increase in customer claims demand in the short term, putting tremendous pressure on the claims processing of insurance companies, and may lead to risks of insufficient human resources and business interruption, affecting business continuity. Frequent disasters may prompt a surge in demand for insurance or insurance companies to adjust premiums and coverage, which will directly squeeze the Group's commission income space and may affect customer relationships due to premium increases or coverage reductions. Extreme weather will directly damage the profitability and physical safety of investment targets (such as real estate), or affect the normal operation of related enterprises, leading to a decline in overall return on investment.	Increase in operating costs; Decline in income; Decline in asset value; Decrease in investment income;	Provide real-time customer support through a digital platform and a pre-developed rapid claims settlement process after extreme events; meanwhile, strengthen cooperation with insurance companies, negotiate to establish green claims channels, simplify the approval process, and shorten the processing cycle. Establish extensive connections with more insurance companies to effectively disperse the insuring pressure in high-risk areas and ensure the stability of the Group's capital liquidity. Improve risk management and emergency response plans to enhance rapid response capabilities to extreme weather. By expanding off-site data centers, enhance the disaster resistance of operational platforms to ensure business continuity and data security.

Category	Risk	Risk description	Potential financial impact	Our response
		Climate change exacerbates the frequent occurrence of extreme weather, and disasters such as typhoons and rainstorms threaten the profitability and real estate safety of investment targets, thereby depressing the return on investment of the enterprise. Climate change intensifies the frequency and intensity of extreme weather, directly threatening life safety, public health, and property safety; if the Company pays insufficient attention to climate risks, it will lag in the innovation and upgrading of insurance product systems, weakening its market competitiveness.		Allocate climate-related insurance to enhance defense against extreme weather and post-disaster recovery capabilities; integrate climate risks into corporate strategy, deploy low-carbon and resilient industries, optimize supply chains, and promote sustainable development. The Company systematically assesses the multi-dimensional risks brought by climate change and extreme weather, while simultaneously accelerating the iterative optimization of the insurance product system to effectively support individual protection and sustainable social development.
	Chronic physical risk	Chronic physical risks (such as rising sea levels, prolonged droughts, and rising temperatures) and related health problems may also threaten the lives of insurance clients, thereby increasing the demand for health insurance claims and increasing the demand for human resources in the long run. In addition, sustained premium increases may heighten client price sensitivity, prompting them to switch to lower-cost competitors or forgo insurance, thereby compressing the Group's profit margins.	Increase in operating costs; Decline in income;	Regularly analyze climate trends with insurance companies, encourage customers to adopt adaptive products, and negotiate more flexible terms with insurance companies to maintain market competitiveness.

Category	Risk	Risk description	Potential financial impact	Our response
Transition risk	Legal and policy risk	Increasingly stringent domestic and international climate change policies will increase the Group's compliance costs and resource allocation pressure. At the same time, the country is accelerating the advancement of green, low-carbon, and high-quality development. If the Company lags in product response, it will be difficult to match policy orientations and industry trends, weakening market competitiveness.	Increase in compliance costs; Decline in income;	Dynamically track the evolution of regulations, strengthen compliance training, and consolidate the foundation of compliance. Actively respond to national policies and industry directions, improve and optimize the green management system; accelerate the construction of a diversified product system to enhance supply capabilities and service quality.
	Technology risk	Climate change has accelerated the digital transformation of the insurance industry, and the Group has actively invested in the development of IT platforms. However, the results of research and development may not meet expectations, requiring significant resources for continuous optimization. Potential platform vulnerabilities or inaccuracies could lead to client accountability, elevating operational risks.	Increase in operating costs; Decline in income; Increase in research and development costs;	Strengthen R&D investment, continuously optimize system functions, regularly and comprehensively test platform functions to ensure system stability and reliability. Alternative operational workflows are pre-planned to prevent service delays or interruptions due to technical failures.
	Market risk	Low-carbon transformation may change consumer preferences and industrial structure, thereby affecting insurance market demand. If certain industries with high carbon emissions (such as fossil fuels and traditional automobile enterprises) decline due to policy transformation, the demand for related insurance will shrink, and the Group needs to develop customers in emerging areas such as green energy.	Decline in income;	Establish connections with more insurance companies to jointly customize more insurance products in areas such as green energy to meet the insurance needs of emerging markets. Keep abreast of relevant regulatory changes and adjust business strategies to meet new regulatory requirements. Adjust marketing strategies flexibly, such as strengthening ESG-related product knowledge and strengthening market position through differentiated services.

Category	Risk	Risk description	Potential financial impact	Our response
	Reputational risk	As public concern about climate change continues to grow, the progress and outcomes of climate action have become core assessment criteria in mainstream ESG rating systems. If the Group fails to fully disclose its proactive measures related to climate change, it may undermine stakeholder trust in the company, potentially sparking negative public sentiment and thereby damaging its brand image and market reputation.	Decline in income;	The Group fully complies with national policies, steadily promotes the construction of ESG management system and climate risk response capability, regularly discloses the progress of ESG efforts to the public, and continuously deepens the interaction and communication with various stakeholders to further consolidate the confidence of stakeholders in the enterprise.

Climate opportunity identification:

Opportunity Type		Opportunity Description	Impact Period	Response Measures	Estimated Financial Impact
Energy and resources	Resource efficiency	The Group's daily operations rely on digital systems, data centers, and office spaces, with energy consumption mainly coming from equipment operation, data centers, and office electricity. By applying low-carbon technologies and intelligent management, the energy cost per unit of capacity can be effectively reduced, enhancing operational efficiency.	Short-term to medium-term	Advance the construction of energy management systems in office spaces and data centers, and adopt low-carbon technology renovations such as intelligent temperature control and lighting energy conservation. Promote core business systems to the cloud, optimize computing resource utilization efficiency, and reduce computer room energy consumption. Pilot building-integrated photovoltaics or procure green electricity at headquarters and large workplaces to reduce Scope 2 carbon emissions.	Decrease in operating costs; Decrease in energy consumption per unit.

Opportunity Type		Opportunity Description	Impact Period	Response Measures	Estimated Financial Impact
Products and services	Shift in consumer preferences	With the advancement of the "dual carbon" goals, corporate and individual customers are increasingly paying attention to suppliers' ESG performance and green product supply capabilities when choosing insurance services. When purchasing employee benefit insurance and property insurance, large enterprises begin to prefer intermediaries with carbon management capabilities and the ability to provide green insurance solutions.	Medium-term to long-term	Collaborate with multiple insurance companies to develop "low-carbon insurance product packages" (such as new energy vehicle insurance, green building performance insurance, carbon trading compliance guarantee insurance, etc.) to meet the green transition needs of corporate clients. Build a green product screening and recommendation system, and guide customers to choose insurance solutions with environmental benefits at the sales end. Cooperate with industry associations and third-party institutions to conduct green risk management training for corporate clients and strengthen the image of professional services.	Increased market share; New revenue; Enhanced customer loyalty.

3) Risk Management

The Group has fully institutionalized climate risk integration into its daily risk management system, achieving systematic management, and relying on dynamic monitoring mechanisms to continuously track risk exposures. For instance, extreme climate event analysis has been deeply embedded into the risk classification system of client claims demand to accurately identify potential business impacts. To enhance response capabilities, a full-cycle management mechanism covering risk warning and scenario simulation has been built, supported by a graded response plan to ensure efficient coordination of decision-making under sudden climate events. In the future, a climate risk task force will be established to deeply integrate meteorological big data and actuarial models to continuously optimize the timeliness and foresight of the risk assessment framework. Simultaneously, we conduct risk advocacy for clients: through online seminars, illustrated claims case studies, and disaster prevention guideline notifications, we connect a two-way cognitive path from the insurers end to the client end. While enhancing policyholders' proactive protection awareness, we accumulate empirical data needed for the R&D of climate-adaptive insurance products, steadily advancing the construction of a climate resilience management ecosystem with industry benchmark significance. For the specific framework and implementation details of the Group's risk management, please refer to the section headed "Risk Management and Response".

4) Indicators and Targets

Actively responding to the Paris Agreement and China's "3060" dual carbon goals, Zhongmiao has anchored specific climate-related action targets. In the process of promoting green transition, we not only continuously implement established targets such as energy conservation and emission reduction, but also focus on enhancing "soft power" such as employees' environmental awareness and sustainable development capabilities. Through green office practices, low-carbon operations, and digital service optimization, we tangibly reduce carbon emissions from our own operations.

Meanwhile, an environmental performance monitoring mechanism has been established to regularly track the progress of key environmental indicators. Currently, climate performance has not yet been integrated into the remuneration incentive system, nor has internal carbon pricing been implemented. In the future, we will continue to study industry practices, carefully evaluate the feasibility of internal carbon pricing, continuously improve the carbon management mechanism, and firmly move towards green and low-carbon development.

Target	Baseline Year	Target Description	Progress Toward the 2025 Targets	Measures or Actions
Electricity Consumption Target	2023	Reduce electricity consumption density by 10% by 2025; reduce electricity consumption density by 70% by 2030	Electricity consumption density reduced by 67% in 2025	• Implement energy-saving renovations in office areas, adopting LED energy-saving lighting and intelligent power management equipment • Advocate for employees to turn off computers, monitors, and non-essential power during lunch breaks and after work to reduce standby power consumption • Regularly maintain air conditioning, servers, and computer room equipment to improve the operating efficiency of high-energy-consuming facilities
Paper Usage Target	None	The Group provides online insurance services and uses only a small amount of paper materials	Compared with last year, the actual paper usage density in 2025 decreased by 63%	• Comprehensively implement electronic policies, electronic contracts, and online approval processes to reduce paper printing • Use electronic materials for meetings and internal training, advocating double-sided printing and waste paper reuse • Gradually phase out personal printers, centrally deploy multi-function all-in-one machines, and strengthen print permission management and usage monitoring
Water Resources Target	2023	Reduce water consumption density by 10% by 2025; Reduce water consumption density by 70% by 2030	Water consumption density reduced by 69% in 2025	• Post water-saving signs to enhance employees' water-saving awareness • Regularly inspect water dispensers and restroom water facilities to eliminate leaks and drips • Select water-saving appliances in office spaces and reasonably control the number of water points and flow rates

Target	Baseline Year	Target Description	Progress Toward the 2025 Targets	Measures or Actions
Greenhouse Gas Emission Target	2023	Reduce greenhouse gas emission density by 60% by 2030	Greenhouse gas density reduced by 57% in 2025	• Optimize the energy efficiency of data centers and computer rooms to reduce indirect emissions from purchased electricity (Scope 2) • Encourage video conferences and remote work to reduce business travel by employees and clients (Scope 3) • Explore the procurement of green electricity or purchase of carbon credits to gradually reduce the operational carbon footprint
Waste Management Target	None	The Group provides online insurance services, and the operational process basically generates no waste, with only a small amount of non-hazardous waste discharged	Compared with last year, the actual non-hazardous waste density in 2025 remained flat	• Set up classified recycling bins in office areas to promote the classified recycling of waste such as paper, plastic, and batteries • Reduce the use of disposable paper cups and plastic products, and advocate bringing one's own water cups and reusable stationery • Entrust qualified institutions to conduct compliant recycling and data destruction when electronic equipment is scrapped

The Group has disclosed the indicators related to energy saving and emission reduction to facilitate more effective monitoring of its climate performance. For details, please refer to the sections headed "Greenhouse Gas Emissions", "Waste" and "Energy Use and Water Resources" in the Report.

4.3 Green Operation Practices

To deeply implement the national "dual carbon" strategy, the Group took green finance and smart technology as dual drivers, systematically building a risk protection and service ecosystem covering the entire new energy industry chain. On the insurance side, it pioneered a green insurance service system across three major scenarios: photovoltaics, new energy vehicles, and battery charging and swapping facilities. Through customized product design and full-cycle risk coverage, it effectively reduced investment uncertainty and aids the large-scale implementation of clean energy and the green transition of transportation. On the service side, relying on Zhongmiao's intelligent car wash platform project, the Group integrated AI algorithms and standardized hardware to achieve on-demand car washing, water conservation, and consumption reduction, precisely solving car owners' service pain points, and promoting the replicable and sustainable development of green rights services. These two major practices not only strengthened the safety foundation of the new energy industry but also extended green consumption scenarios, demonstrating the Group's responsibility and innovative strength in empowering low-carbon development through technology for good finance.

New Energy Green Insurance Services: Risk Protection Practices for Photovoltaics, New Energy Vehicles, and Battery Charging/Swapping Facilities

Focusing on the "dual carbon" strategic goals and centering on key links of the new energy industry, the Group innovatively constructed a full-chain green insurance service system covering photovoltaics, new energy vehicles, and charging infrastructure. In the photovoltaic sector, the Group collaborated with insurance companies to tailor insurance solutions for new energy enterprises, comprehensively covering equipment damage and project interruption risks during the construction period, as well as third-party personal and property damage that may be caused during the initial stage of operations. This significantly reduced investment uncertainty, accelerates the pace of power plant implementation, and tangibly empowered the large-scale development of clean energy.

In the new energy vehicle sector, the Group synergized with insurance institutions to create a specialized and differentiated auto insurance product system, precisely matching the technical characteristics of pure electric vehicles and user needs. It continuously optimized coverage, pricing mechanisms, and service responses to provide insurance solutions with higher cost-effectiveness and suitability. This initiative not only enhanced consumers' acceptance and confidence in using new energy vehicles but also effectively reduced fuel consumption and exhaust emissions by guiding the green transition of transportation modes, injecting sustainable financial momentum into achieving the carbon neutrality goal.

In terms of battery charging and swapping infrastructure, the Group promoted the establishment of an exclusive insurance mechanism for charging piles covering multi-dimensional risks such as equipment installation, natural disasters, accidental events, and third-party liabilities, helping address the operators' safety concerns and public trust shortcomings. Through the widespread application and ecological synergy of insurance products, it not only strengthened the safety and stability of the charging pile network but also elevated society's risk awareness and protection consciousness regarding green energy infrastructure, providing strong support for the high-quality development of the new energy vehicle industry throughout its life cycle.

Intelligent Car Wash Platform Project: New Practice of Integrating Green Strategy and Intelligent Services

Zhongmiao regards the deep integration of green environmental protection and intelligent services as a vital development direction, committed to contributing to environmental protection through technological innovation. To undertake the core capabilities of Zhongmiao's value-added rights service platform, the Company innovatively launched the "self-built standardized rights service capability" model. Combining AI technology and intelligent hardware, the Group independently built a service system and officially launched the offline unmanned intelligent car wash brand "AI Miao Wash (「AI 淼洗」)", providing solid support for the smooth implementation of business while enhancing user experience. Relying on the platform's existing advantages in customer reach and resource integration, the project deeply explored the value-added service needs of insurance companies, precisely solving the core pain points of car owners regarding car washing regarding "long consumption time and few outlets". Adopting a flexible and standardized layout of floor-to-ceiling glass rooms adaptable to various venues, it created a modernized intelligent car wash platform. Currently, the model store in Qingdao Haier Cloud Valley business district has been successfully implemented.

User experience of "AI Miao Wash" service scene

Equipped with Zhongmiao's intelligent wash control algorithm, it can automatically analyze the degree of vehicle dirtiness before washing and intelligently match the optimal washing mode based on the analysis results. While ensuring the washing effect, it minimizes the waste of water resources and consumables, balancing high efficiency and environmental protection, fully reflecting the Group's development philosophy of integrating green strategy and intelligent technology.

Centered on the Group's sustainable development strategy, the intelligent car wash business has formed a clear 2026 development roadmap:

Planning Direction	Specific Content	Phased Goals
Green Technology Upgrade	Pilot photovoltaic energy storage systems and water circulation systems in the Cloud Park	• Photovoltaic energy storage to cover 90% of equipment electricity consumption • Water resource recycling rate to reach 60%–80% • Achieve carbon emission reduction in operational processes
Outlet Scale Expansion	Implement 20 outlets in Qingdao, with a cumulative investment of RMB4 million	• Form a car wash service network covering major areas of the city • Initially possess the capability to undertake car wash services for business end clients such as insurance companies and large enterprises • Explore productized integration with insurance value-added services

APPENDIX
INDEX TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF APPENDIX C2 OF THE HKEX

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Governance Structure		
General Disclosure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Statement from the Board ESG Governance Structure
Reporting Principles		
General Disclosure	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Guidelines and Principles
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.1 Energy Conservation and Emission Reduction Management
KPI A1.1	The types of emissions and respective emissions data.	4.1 Energy Conservation and Emission Reduction Management
KPI A1.2	Deleted on 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Energy Conservation and Emission Reduction Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Energy Conservation and Emission Reduction Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	4.1 Energy Conservation and Emission Reduction Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.1 Energy Conservation and Emission Reduction Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.1 Energy Conservation and Emission Reduction Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.1 Energy Conservation and Emission Reduction Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.1 Energy Conservation and Emission Reduction Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 Energy Conservation and Emission Reduction Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1 Energy Conservation and Emission Reduction Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.1 Energy Conservation and Emission Reduction Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4.1 Energy Conservation and Emission Reduction Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.1 Energy Conservation and Emission Reduction Management
Aspect A4: Climate Change		
General Disclosure	Deleted on 1 January 2025	
KPI A4.1	Deleted on 1 January 2025	
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	2.1 Employee Compliance and Rights
KPI B1.1	Total workforce by gender, employment type (for example, full-or parttime), age group and geographical region.	2.1 Employee Compliance and Rights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	2.1 Employee Compliance and Rights

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	2.2 Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.2 Employee Health and Safety
KPI B2.2	Lost days due to work injury.	2.2 Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	2.2 Employee Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	2.3 Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.3 Employee Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	2.3 Employee Training and Development

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	2.1 Employee Compliance and Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	2.1 Employee Compliance and Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	2.1 Employee Compliance and Rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.4 Supply Partnerships and Management
KPI B5.1	Number of suppliers by geographical region.	3.4 Supply Partnerships and Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.4 Supply Partnerships and Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4 Supply Partnerships and Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4 Supply Partnerships and Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.3 Customer Service and Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.3 Customer Service and Rights
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 Customer Service and Rights
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Customer Service and Rights
KPI B6.4	Description of quality assurance process and recall procedures.	3.3 Customer Service and Rights
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3 Customer Service and Rights

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Business Ethics, Anti-Corruption, and Anti-Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Business Ethics, Anti-Corruption, and Anti-Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Business Ethics, Anti-Corruption, and Anti-Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Business Ethics, Anti-Corruption, and Anti-Money Laundering
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	2.4 Social Welfare and Contributions
KPI B8.1	Focus areas of contribution.	2.4 Social Welfare and Contributions

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
D. Climate-related Disclosures		
Governance	19 (a) An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	4.2 Addressing Climate Change
	19(b) An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Strategy	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines "short term", "medium term"' and "long term" and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	4.2 Addressing Climate Change
	21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
	22(a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	4.2 Addressing Climate Change
	22(b) An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	4.2 Addressing Climate Change
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	4.2 Addressing Climate Change
	24. An issuer shall disclose qualitative and quantitative information about: how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code		Section/ Remarks
	25(a)	The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: its investment and disposal plans; and its planned sources of funding to implement its strategy.	4.2 Addressing Climate Change
	25(b)	The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	4.2 Addressing Climate Change
	26(a)	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
	26(b) An issuer shall disclose how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: 1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; 2) whether the analysis included a diverse range of climate-related scenarios; 3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; 4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; 5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; 6) time horizons the issuer used in the analysis; and 7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Risk Management	27(a) An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period.	4.2 Addressing Climate Change
	27(b) An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	4.2 Addressing Climate Change
	27(c) An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Metrics and Targets	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	4.1 Energy Conservation and Emission Reduction Management
	29. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	4.1 Energy Conservation and Emission Reduction Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.2 Addressing Climate Change
	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	4.2 Addressing Climate Change
	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	4.2 Addressing Climate Change
	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	4.2 Addressing Climate Change
	34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	4.2 Addressing Climate Change
	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	4.2 Addressing Climate Change
	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	4.2 Addressing Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
Indicators and Targets	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	4.2 Addressing Climate Change Indicators and Targets
	38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Indicators and Targets

Indicators	Requirements of the HKEX ESG Reporting Code	Section/ Remarks
	39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Indicators and Targets
	40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Indicators and Targets
	41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Indicators and Targets

REPORT OF THE DIRECTORS

The Board is pleased to present this report together with the audited financial statements of the Group for the Reporting Period.

PRINCIPAL BUSINESS

The Group's business comprises two major segments, namely insurance agency business and finance technology services.

Insurance agency business: we tailor optimal insurance solutions to meet the diverse and personalized needs of corporate and individual clients. Our insurance products span four core categories: (i) property insurance products; (ii) life and health insurance products; (iii) accident insurance products; and (iv) automobile insurance products, comprehensively covering the mainstream insurance products available in the market.

Finance technology services: with technology as the core driver, the Company is advancing the digital transformation of products, services, and management across all dimensions, building a dual-business landscape of "insurance technology + banking technology".

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the Reporting Period, particulars of important events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group are provided in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and this section of this annual report. All such discussions form part of this annual report.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the Group's consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS FOR THE PURPOSES OF DETERMINING ELIGIBILITY TO THE ANNUAL GENERAL MEETING

The register of members of our Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend the Annual General Meeting to be held at 2:00 pm on Thursday, 28 May 2026, during which period no share transfers will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting will be Thursday, 28 May 2026. In order to be eligible to attend and vote at the Annual General Meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 21 May 2026.

FINAL DIVIDEND AND WITHHOLDING INCOME TAX

The Board proposed the distribution of the final dividend for the year ended 31 December 2025 of RMB0.16 in cash per share (inclusive of tax), the proposed total cash dividend amounted to approximately RMB22.6 million based on the current total issued capital. This dividend represented approximately 43.7% of the profit attributable to the owners of the Company for the Reporting Period. If any change of the total share capital of the Company occurs before the record date of implementation of dividend distribution, the total amount of distribution is intended to be unchanged, and the distribution ratio per share shall be adjusted accordingly. This dividend distribution proposal shall be subject to consideration and approval at the Company's Annual General Meeting, and the final dividend shall be distributed to Shareholders within two months from the date of the Annual General Meeting. Dividends on H shares should be paid in foreign currencies. For determining the entitlement to the proposed final dividend if so approved at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026, both days inclusive, during which period no transfer of H shares of the Company will be registered. The record date for determining the entitlement of the holders of H Shares to the proposed final dividend will be Monday, 8 June 2026. In order to qualify for entitlement to the proposed final dividend, holders of H Shares whose transfers of H Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates with the H Share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 2 June 2026.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group strictly complies with national and local environmental protection laws and regulations and conducts its business activities in an environmentally friendly manner so as to minimise the negative impact of the Group's business activities on the environment and to achieve green heat supply. As far as the Directors are aware, the Group has complied with all applicable laws and regulations relating to environmental protection during the Reporting Period. Details of the environmental, social and governance performance of the Company are set out in the section headed "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

We may be involved in legal proceedings from time to time in the ordinary course of business. During the Reporting Period and up to the date of this report, the Group complied with the relevant laws, regulations and supervisory requirements that have a material impact on the Group in all respects. During the Reporting Period and up to the date of this report, neither the Group nor any of the Directors, Supervisors and senior management of the Company has been subject to investigation or administrative penalty by the China Securities and Regulatory Commission, banned from entering the market, recognised as an unsuitable person, publicly reprimanded by the Stock Exchange, subject to compulsory measures, referred to the judicial authorities or held criminally liable, nor has it been involved in any other litigation, arbitration or administrative proceeding that would have a material adverse impact on our business, financial condition or results of operations. During the year ended 31 December 2025, the Directors were not aware of any material litigation or claim that was pending or threatened the Group.

KEY RISKS AND UNCERTAINTIES

The following table summarises some of the principal risks and uncertainties facing the Group, some of which are inherent in the market and external environmental factors. The principal risks and uncertainties relating to the Group's business and industry are summarized below:

(i) The insurance products distributed by the Group are insured by the insurance company partners, the types of insurance products insured by the insurance company partners impact the diversity of the insurance products distributed by the Group;

(ii) Risks that may arise from the inability to maintain current sales channels, including insurance agents and strategic channel partners;

(iii) Fierce competition facing the markets where the Group operates;

(iv) All risks that may arise from the Group's inability to successfully maintain and continually upgrade its information technology systems and infrastructure;

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

(vi) The failure to obtain, renew or retain certain licenses, permits or approvals could have a material adverse effect on the Group's ability to carry on its business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the total revenue generated from the Group's five largest customers was approximately 69.1%, and the revenue generated from the Group's largest customer was approximately 31.9%.

For the year ended 31 December 2025, the total purchases attributable to the Group's five largest suppliers was approximately 68.5%, and the purchase attributable to the Group's largest supplier was approximately 20.3%.

During the year ended 31 December 2025, none of the Directors, Supervisors or their close associates (as defined under the Listing Rules) or any Shareholders (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in any of our five largest customers or suppliers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

INFORMATION ON TAX REDUCTION AND EXEMPTION FOR HOLDERS OF H SHARES

The Company is not aware of any tax relief available to Shareholders for holding its securities. Shareholders should seek expert advice if they are unsure of the tax implications of purchasing, holding, selling, dealing in the Shares, or exercising any of the rights attached to them.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 11 to the consolidated financial statements in this annual report.

FOREIGN EXCHANGE RISK MANAGEMENT

The principal activities of the Group are operated in the PRC. The Group operates mainly in the PRC with most of the transactions settled in RMB, management of the Company considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group that are denominated in the currencies other than the respective functional currencies of the Group's entities, other than the assets denominated in Hong Kong dollars. Currently, the Group does not implement any foreign currency hedging policy. For the Reporting Period, the Group did not enter into any forward contract to hedge its exposure to foreign currency risk. The Group will closely monitor the exchange rate in the market and take appropriate countermeasures and policies when necessary.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 15 to the consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statements of changes in equity and Note 28 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of the PRC Company Law, amounted to approximately RMB96.6 million.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in Note 28 to the consolidated financial statements in this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules, if any) for the year ended 31 December 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 31 December 2025.

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 December 2025.

EQUITY LINKED AGREEMENTS

For the year ended 31 December 2025, there has been no equity-linked agreements entered into by the Group, or existed.

BOARD OF DIRECTORS

The Directors for the year ended 31 December 2025 were:

Executive Directors

Lu Yao *(Chairman)*
Zhang Zhiquan
Li Tian
Wang Heping

Independent non-executive Directors

Fang Qiaoling
Chung Wai Man
Ng Sin Kiu

In accordance with the provisions of the Articles of Association, the term of office of Directors (including a non-executive Director) shall be three years, and are eligible for re-election upon expiry of their terms of office.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, Supervisors and senior management of the Company as at the date of this report are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report.

Save as disclosed in the annual report, there are no other changes in the information of the Directors, Supervisors and chief executive officer of the Company that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

The Group has entered into service contracts or letters of appointment with each of the Directors and Supervisors for, among other things, (i) an initial term of three years; and (ii) terminable in accordance with their respective terms. The service contracts or letters of appointment are renewable in accordance with the Articles of Association and the applicable Listing Rules.

None of the Directors has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business in which any Directors or Supervisors or related entities of any Directors or Supervisors have material interests, directly or indirectly, have been signed by the Company or any of its subsidiaries, at the end of the Reporting Period or during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries has entered into any contract of significance with the controlling shareholders of the Company or any of their subsidiaries for the year ended 31 December 2025.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The remuneration of the Directors, Supervisors and senior management of the Group is determined by the Board with reference to the recommendations of the Remuneration Committee, taking into account the Group's operating results, individual performance and prevailing market conditions.

Details of the remuneration of the Directors, Supervisors and five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements in this annual report.

No remuneration was paid by the Group to any Director, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensations for loss of office during the Reporting Period. The emolument of Ms. Wang Jiesi was waived with her authorisation.

RETIREMENT BENEFITS PLAN

The employees of the Group are members of the state-managed retirement benefits scheme (pension insurance) operated by the PRC government. The employees of the Group are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The obligation of the Company with respect to this retirement benefits scheme is to make the required contributions under the scheme. Pursuant to the relevant laws and regulations, the Group is not in a position to forfeit contributions to such scheme and thus no contributions may be used by the Group to reduce the level of existing contributions to such schemes.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company (within the meaning of section 543 of the Companies Ordinance) was entered into or existed for the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

Subject to the relevant regulations, each Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities that he/she may sustain or incur for the performance of his/her duties or the relevant matters. The Company has purchased insurance to cover the liabilities and expenses incurred in the possible proceedings against the Directors.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in the Shares of our Company

Name of Director, Supervisor or Chief Executive	Position	Nature of interest	Shares and class of shares held[(1)]	Approximate percentage of shareholding in the relevant class of shares[(1)] (%)	Approximate percentage of total number of Shares in issue[(1)] (%)
Lu Yao	Chairman, executive Director and general manager	Interest in controlled corporation [(2)]	27,501,600 Domestic Shares (L)	25.97	19.48
Zhang Zhiquan	Executive Director and deputy general manager	Interest in controlled corporation [(2)]	24,000,000 Domestic Shares (L)	22.66	17.00

Notes:

(1) As at 31 December 2025, the total number of issued shares of the Company was 141,195,600 shares, comprising (i) 105,895,600 Domestic Shares, and (ii) 35,300,000 H Shares.

(2) Shanghai Zhaoqi, Qingdao Haizhongjie and Qingdao Haixinsheng hold 24,000,000 Domestic Shares, 2,933,300 Domestic Shares and 568,300 Domestic Shares respectively and each of them is a limited partnership with Qingdao Haichuang Management Consultant Co., Ltd. (青島嗨創管理諮詢有限公司) as its general partner. Qingdao Haichuang Management Consultant Co., Ltd. is wholly owned by Lu Yao. Lu Yao is deemed to be interested in the shares in which each of Shanghai Zhaoqi, Qingdao Haizhongjie and Qingdao Haixinsheng is interested.

(3) Shanghai Zhaoqi holds 24,000,000 Domestic Shares. Shanghai Zhaoqi is owned as to (i) 31.40% by Zhang Zhiquan; and (ii) 28.60% by Beijing Quanzhanggui Internet Technology Co., Ltd. (北京全掌櫃互聯網科技有限公司) (a limited liability company owned as to 70.00% by Zhang Zhiquan and as to 30.00% by Li Jia, the spouse of Zhang Zhiquan). By virtue of the SFO, Zhang Zhiquan is deemed to be interested in the shares in which Shanghai Zhaoqi is interested.

(L) Long position.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have any interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be recorded in the register maintained by the Company or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Directors, Supervisors or their respective spouse or children under 18 years of age, or were such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, Supervisors or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate from the Listing Date to the date of this annual report.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best knowledge of our Company based on publicly available information, as at 31 December 2025, the interests and short positions of the following persons (other than the Directors, Supervisors and chief executive of the Company) in the Shares, underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which the persons (other than the Directors, Supervisors and chief executive of the Company) were taken or deemed to have under such provisions of the SFO) or interests or short positions in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Shares and class of shares held(1)	Approximate percentage of shareholding in the relevant class of shares(1) (%)	Approximate percentage of total number of Shares in issue(1) (%)
Haier Group Corporation (海爾集團公司)	Interest in controlled corporation(2)-(6)	64,000,000 Domestic Shares (L)(2)-(6)	60.44	45.33
Qingdao Haichuanghui IoT Co., Ltd. (青島海創匯物聯有限公司)	Interest in controlled corporation(2)-(6)	64,000,000 Domestic Shares (L)(2)-(6)	60.44	45.33
Qingdao Haichuanghui Investment Co., Ltd. (青島海創匯投資有限公司)	Interest in controlled corporation(2)-(6)	64,000,000 Domestic Shares (L)(2)-(6)	60.44	45.33
Haichuanghui Holding Co., Ltd (海創匯控股有限公司)	Interest in controlled corporation(4)& (5)	8,000,000 Domestic Shares (L)(4)& (5)	7.56	5.67
Ningbo Meishan Free Trade Port Area Haichuanghui Investment Management Co., Ltd. (寧波梅山保稅港區海創匯投資管理有限公司)	Interest in controlled corporation(4)& (5)	8,000,000 Domestic Shares (L)(4)& (5)	7.56	5.67

Name of Shareholder	Nature of interest	Shares and class of shares held[1]	Approximate percentage of shareholding in the relevant class of shares[1] (%)	Approximate percentage of total number of Shares in issue[1] (%)
Qingdao Haichuanghui Venture Capital Co., Ltd. (青島海創匯創業投資有限公司)	Interest in controlled corporation[4]& [5]	8,000,000 Domestic Shares (L)[4]& [5]	7.56	5.67
Qingdao Haichuanghui Ronghai Venture Capital Center (Limited Partnership) (青島海創匯融海創業投資中心(有限合夥))	Beneficial interest[5]	8,000,000 Domestic Shares (L)[6]	7.56	5.67
Qingdao Haiyinghui Management Consulting Co., Ltd. (青島海盈匯管理諮詢有限公司)	Beneficial interest[6]	56,000,000 Domestic Shares (L)[7]	52.88	39.66
Qingdao Haichuang Management Consultant Co., Ltd. (青島嗨創管理諮詢有限公司)	Interest in controlled corporation[7]	27,501,600 Domestic Shares (L)[7]	25.97	19.48
Shanghai Zhaoqi	Beneficial interest[7]	24,000,000 Domestic Shares (L)[7]	22.66	17.00
Li Jia (李佳)	Interest of spouse[8]	24,000,000 Domestic Shares (L)[7]	22.66	17.00
Qingdao Haizhi Huiying Equity Investment Management Co., Ltd. (青島海智匯贏股權投資管理有限公司)	Interest in controlled corporation[9]	14,394,000 Domestic Shares (L)[9]	13.59	10.19
Qingdao Haichuangying Equity Investment Partnership (Limited Partnership) (青島海創贏股權投資合夥企業(有限合夥))	Beneficial interest[9]	14,394,000 Domestic Shares (L)[9]	13.59	10.19
Matrix Income SPC	Investment manager	8,782,500 H Shares (L)	24.88	6.22

Notes:

(1) As at 31 December 2025, the total number of issued Shares of the Company was 141,195,600 shares, comprising (i) 105,895,600 Domestic Shares, and (ii) 35,300,000 H Shares.

(2) Haier Group holds 100% of the issued shares in Qingdao Haichuanghui IoT Co., Ltd.

(3) Qingdao Haichuanghui IoT Co., Ltd. (i) indirectly wholly owns Qingdao Haiyinghui Management Consulting Co., Ltd. through its wholly-owned subsidiary, Qingdao Haichuanghui Investment Co., Ltd.; (ii) indirectly owns 49.50% of Qingdao Haichuanghui Ronghai Venture Capital Center (Limited Partnership) through its wholly-owned subsidiary, Qingdao Haichuanghui Investment Co., Ltd.; and (iii) indirectly wholly owns Haichuanghui Holding Co., Ltd. through its wholly owned subsidiary Qingdao Haichuanghui Investment Co., Ltd..

(4) Qingdao Haichuanghui Ronghai Venture Capital Center (Limited Partnership) is owned as to 1.00% by Qingdao Haichuanghui Venture Capital Co., Ltd. as its general partner. Qingdao Haichuanghui Venture Capital Co., Ltd. is a wholly-owned subsidiary of Ningbo Meishan Free Trade Port Area Haichuanghui Investment Management Co., Ltd., which is indirectly wholly owned by Haichuanghui Holding Co., Ltd..

(5) Qingdao Haichuanghui Ronghai Venture Capital Center (Limited Partnership) directly owns 8,000,000 Domestic Shares.

(6) Qingdao Haiyinghui Management Consulting Co., Ltd. directly holds 56,000,000 Domestic Shares.

(7) Shanghai Zhaoqi, Qingdao Haizhongjie and Qingdao Haixinsheng directly hold 24,000,000, 2,933,300 and 568,300 Domestic Shares, respectively, which are limited partnerships with Qingdao Haichuang Management Consultant Co., Ltd. as their general partner. Shanghai Zhaoqi is owned as to (i) 31.40% by Zhang Zhiquan; and (ii) 28.60% by Beijing Quanzhanggui Internet Technology Co., Ltd. (北京全掌櫃互聯網科技有限公司) (a limited liability company owned as to 70.00% by Zhang Zhiquan and as to 30.00% by Li Jia, the spouse of Zhang Zhiquan).

(8) Li Jia is the spouse of Zhang Zhiquan. By virtue of the SFO, Li Jia is deemed to be interested in the Shares in which Zhang Zhiquan is interested.

(9) Qingdao Haichuangying Equity Investment Partnership (Limited Partnership) directly holds 14,394,000 Domestic Shares, and Qingdao Haizhi Huiying Equity Investment Management Co., Ltd. is its general partner.

(L) Long positions.

Save as disclosed above, as at 31 December 2025, to the best knowledge of the Directors, no other person (not being the Directors, Supervisors and chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be recorded in the register maintained by the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 December 2025 and up to the date of this annual report, according to Listing Rules, none of the Directors is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group that requires disclosure under Rule 8.10(2) of the Listing Rules.

CONNECTED TRANSACTIONS

As at the date of this annual report, Haier Group holds, through its subsidiaries, approximately 45.33% of the voting rights of the Company and is thus a controlling shareholder of the Company. Accordingly, Haier Group and its associates are connected persons of the Company.

The Group has entered into the following connected transactions which are required to be disclosed in this annual report during the Reporting Period:

Non-exempt Continuing Connected Transactions

Partially exempt continuing connected transaction - Comprehensive Services Framework Agreement

Principal Terms
The Group entered into a comprehensive services framework agreement with Haier Group on 19 May 2023 (as supplemented by a supplemental agreement dated 23 July 2024) (collectively, the "**Comprehensive Services Framework Agreement**"), pursuant to which Haier Group and/or its associates agreed to provide (i) office and logistics services involving leasing of offices, renovation works for the offices, and procuring office supplies; (ii) administrative services involving travel agency services and catering services; (iii) consulting services; (iv) referral services; and (v) business support services.

The initial term of the Comprehensive Services Framework Agreement commenced on the Listing Date and will expire on 31 December 2026. Relevant subsidiaries or associated companies of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Comprehensive Services Framework Agreement.

Reasons for the transactions
Our Group historically procured a variety of services from Haier Group to satisfy our business and operational needs. Taking into consideration that Haier Group has provided such services to us historically and the stability and quality of the services provided, we believe that it is in the best interest of our Group to continue to procure such services from Haier Group, which is capable of fulfilling our demands with a stable and quality supply of services on terms which are similar to or better than those offered by Independent Third Parties.

Pricing Policy

Taking into consideration the estimated transaction amount, the services fees to be paid by us to Haier Group and/or its associates under the Comprehensive Services Framework Agreement will be determined through arm's length negotiations between the parties, taking into account:

- ***In respect of office and logistics services:*** (i) location of the offices; (ii) size of the offices; (iii) gross floor area of the offices; (iv) operation costs, such as cost of raw materials and labour and administration expenses; (v) the prevailing market rental rates and logistics service charges for comparable properties and services in similar geographic areas and (vi) historical fees for similar services provided by Independent Third Parties. Rent and property management fees will primarily be calculated on a fixed per-unit basis, such as per square metre, and benchmarked against quotations obtained from at least two independent third parties for similar properties in comparable locations and areas.

- ***In respect of administrative services:*** (i) the anticipated administrative costs including labour costs; (ii) the prevailing market price of similar services; and (iii) historical pricing trends for similar services. To further enhance efficiency and cost-effectiveness, we will utilize Haier Group's unified systems for business travel, hotel reservations, and meal arrangements. This approach ensures competitive pricing, improved efficiency, and priority booking rights. The service fee will be determined by reference to the preferential rates negotiated by Haier Group with independent third parties (arising from Haier Group's status as a large-scale multinational corporation and its scale of procurement), together with a nominal handling charge of approximately RMB10 per booking chargeable on some types of booking only.

- ***In respect of consulting services:*** (i) scope and complexity of services required, including technical standards and deliverables; (ii) the anticipated costs to be incurred for rendering the services, including but not limited to labour, consumables and administrative costs; (iii) the prevailing market price of similar services; and (iv) historical fees charged by Independent Third Parties for comparable engagements. The pricing basis will be agreed between the parties on normal commercial terms and shall be no less favorable than those offered by Independent Third Parties. To ensure fairness and transparency, the Group will implement an internal bidding process for large-value engagements or a three-party price comparison for smaller-value engagements, requiring the solicitation and comparison of at least two quotations from qualified suppliers for services of equivalent type and quality. In addition to pricing, the evaluation will consider supplier reputation, service quality, technical capability, and track record, thereby ensuring that the fees are fair, reasonable, and in the interests of the Company and its shareholders as a whole.

- ***In respect of referral services:*** (i) the historical fees of such services; (ii) the type and complexity of insurance products; (iii) the number and type of insurance clients referred; (iv) the synergy and incremental benefits brought to our Group; and (v) the prevailing marketing price of similar services. The pricing mechanism will adopt a defined formula referencing the type of insurance products, the number and type of insurance clients referred, and the synergy benefits generated for the Group, ensuring that the Group retains a gross profit margin of around 30% to 70% for the insurance agency business, supported by internal controls including management review, annual assessment by independent non-executive directors, and auditor verification to ensure compliance and fairness.

- ***In respect of business support services:*** (i) the anticipated costs including labour costs and administrative costs; (ii) the prevailing market price of similar services; and (iii) historical fees of similar services. Market conditions will be assessed by referencing prices charged by Independent Third Parties for comparable services in the same or nearby geographic areas, taking into account factors such as efficiency and convenience. To ensure fairness and competitiveness, Haier Group and/or its associates and us will each obtain and review quotations from at least two Independent Third Parties offering comparable services. Fees will be calculated based on the actual services rendered and agreed unit prices. Payments shall be made upon confirmation of invoices within a reasonable period using legally recognized methods, such as bank transfers or other payment channels permitted under applicable laws and regulations

Annual caps

The annual caps of service fees paid by the Group to Haier Group and/or its associates in connection with the Comprehensive Services Framework Agreement for the three years ending 31 December 2026 are RMB5.2 million, RMB8.0 million and RMB10.0 million, respectively. For the year ended 31 December 2025, the actual amount of service fees paid by the Group to Haier Group/or its associates in connection with the Comprehensive Services Framework Agreement was RMB6.0 million.

Non-exempt Continuing Connected Transactions - IT and Consulting Services Framework Agreement

Principal terms

We entered into an IT and consulting services provision agreement with Haier Group on 19 May 2023, as replaced by a framework agreement dated 23 July 2024 (collectively, the "**IT and Consulting Services Framework Agreement**") pursuant to which we will provide IT and consulting services to Haier Group and/or its associates. The initial term of the IT and Consulting Services Framework Agreement commenced on the Listing Date and will expire on 31 December 2026. Relevant subsidiaries or associated companies of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the IT and Consulting Services Framework Agreement.

Reasons for the transaction

Since our establishment, our Group has had close business relationship with Haier Group and/or its associates. We have acquired a deep understanding of the business and operational requirements of Haier Group and/or its associates and are able to provide the IT and consulting services needed by Haier Group. Taking into consideration our previous experience with Haier Group and/or its associates, we believe that maintaining a stable and quality business relationship with Haier Group will facilitate our current and future business operations and our Group is capable of effectively satisfying the demands of Haier Group and/or its associates for providing IT and consulting services at prices and terms no less favourable to those we offered to Independent Third Parties, which is in the interests of our Group and the Shareholders as a whole.

Pricing policy

Taking into consideration the estimated transaction amount, the service fees to be paid by Haier Group and/or its associates under the IT and Consulting Services Framework Agreement will be determined through arm's length negotiations between the parties, taking into account (i) in respect of IT services, the complexity of the software/system developed, allocation of staff (including the seniority of staff assigned on site), duration of the agreement, ownership of the IP right, other costs such as server fees and indicative price range specified by our customers in their invitation of tenders or request for quotation (if any), and (ii) in respect of consulting services, the scope of services requested and prevailing market price of such requested services (if any). The pricing terms under the IT and Consulting Services Framework Agreement will be no less favourable to us than terms of services offered to Independent Third Parties and is in the best interest of our Company and our Shareholders as a whole.

Annual caps

The maximum amounts of service fees paid by Haier Group and/or its associates to the Group in connection with the IT and Consulting Services Framework Agreement for the three years ending 31 December 2026 will not exceed RMB13.1 million, RMB14.7 million and RMB16.8 million, respectively.

For the year ended 31 December 2025, the actual amount of service fees paid by the Group to Haier Group/or its associates in connection with the IT and Consulting Services Framework Agreement was RMB5.2 million.

Non-exempt Continuing Connected Transactions – Deposit Services and Other Financial Services under the Financial Services Framework Agreement

Principal terms

We entered into a financial services framework agreement with Haier Finance Company, a subsidiary of Haier Group on 25 April 2025 (the "**Financial Services Framework Agreement**") pursuant to which Haier Finance Company agreed to provide the Group with financial services, including, among others, (i) deposit services (including but not limited to demand deposit, time deposit notice deposit and agreement deposit) (the "**Deposit Services**"); and (ii) financial services other than the Deposit Services and loan and entrusted loan services (the "**Other Financial Services**") subject to the terms and conditions set out therein. The initial term of the Financial Services Framework Agreement commenced on 6 June 2025 and will expire on 31 December 2027.

Reasons for the transaction

The reasons for and the benefits to the Group in using the financial services provided by Haier Finance Company include but are not limited to the following:

(i) Haier Finance Company is a non-banking financial institute among the first batch of companies being approved to carry out all kinds of domestic and foreign currencies businesses, and the first enterprise group finance company to carry out the pilot program of centralised management of foreign exchange funds for current account items. It is the first finance group in China to pass the ISO27001 certification of the International Information Security Management System and the third-level certification of national standard protection;

(ii) as a non-banking financial institution specialising in providing financial services to enterprise group member entities, Haier Finance Company is regulated by the PBOC and the NFRA and is required to provide financial services in accordance with and in compliance of the rules and operational requirements of these regulatory authorities including capital risk guidelines and requisite capital adequacy ratios;

(iii) the Group's deposits placed in Haier Finance Company can save financial costs and improve capital efficiency. The interest rate for the Deposit Services will be no less favourable than those offered by the PBOC and major other domestic commercial banks in the PRC for similar type of services. The fee or commission for the fee-based or commission-based financial service provided by Haier Finance Company will not be higher than those charged by other domestic commercial banks or financial institutions. At the same time, Haier Finance Company exempts account management fees, online banking opening fees, inquiry letter fees, deposit certificates, internal settlement fees, etc., which can effectively save financial costs for the Group;

(iv) by leveraging the unique cross-bank aggregation function of the finance company, Haier Finance Company can shorten the Group's capital transfer and turnover time in several bank channels and improve the efficiency of capital operations. Meanwhile, Haier Finance Company has continuously upgraded its digitisation system and established a professional team to provide more considerate services with higher quality;

(v) as an intra-group service provider of Haier Group, its integral position within the corporate structure allows for streamlined communication, reduced transaction costs, and enhanced operational efficiency; and

(vi) the Group has placed deposits with Haier Finance Company and established a good relationship with Haier Finance Company over years. Haier Finance Company is familiar with the Group's operations, capital structure and working capital management, which may enable Haier Finance Company to render more expedient, efficient and flexible deposit services to the Group than other commercial banks and independent financial institutions in the PRC and also accurately predict and quickly meet the Group's needs for financial services.

The Group is independent from its Shareholders (including Haier Group) in financial aspects, while the above fund pools management services to be provided by Haier Finance Company represent the internal fund management of the Group only. Based on the Group's previous experience in business dealings with Haier Finance Company, the Directors believe that Haier Finance Company is capable of effectively satisfying the Group's demands for financial services and can provide customised financial service solutions for the Group according to its strategic plan, which is in the interests of the Group and the Shareholders as a whole.

Pricing policy

In terms of the Deposit Services, pursuant to the Financial Services Framework Agreement, in respect of RMB deposits, Haier Finance Company will provide deposit services to the Group by referencing to the benchmark deposit interest rate announced by the PBOC for the same period from time to time and in accordance with regulatory requirements, at an interest rate which is more favourable than the highest interest rate for the same type of deposits as announced by Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, Bank of China and all the listed national joint stock banks in the PRC (the "**Comparable Banks**"). Deposits for foreign currencies are implemented in accordance with market principles, and the interest rate of similar deposits is no less favourable than the highest interest rate of commercial banks available to the Group.

Before placing RMB deposits with Haier Finance Company, the Group will compare the interest rate provided by Haier Finance Company with those announced by the Comparable Banks. Before placing foreign currency deposits with Haier Finance Company, the Group will compare the interest rate and/or exchange rate provided by Haier Finance Company with those provided by three major banks or financial institutions with which the Group has established business relationships in each quarter.

In terms of Other Financial Services, the fees charged by Haier Finance Company will be determined based on corresponding market prices with reference to the charge standard published by the PBOC on its official website from time to time. If there is no such benchmark rate published by the PBOC for that kind of financial services, the fee will be determined with reference to, amongst other factors, the rates charged by other major financial institutions/commercial banks for the same types of services and their conditions. The terms and conditions should not be less favourable than those terms and conditions offered by independent financial institutions/commercial banks in the PRC to the Group. Before using other financial services provided by Haier Finance Company, the Group will compare the fees charged by Haier Finance Company with those charged by three major commercial banks or financial institutions with which the Group has established business relationships. Haier Finance Company will leverage its collective resource advantages to obtain the lowest service fees and the best-quality services from external financial institutions and will not charge any additional intermediary fees except those charged by external banks. In addition, Haier Finance Company agrees to waive all the service fees that would otherwise be charged to the Group, including but not limited to, account management fees, online banking activation fees, inquiry fees, deposit certificate fees, credit certificate fees, internal settlement fees, and all other service-related charges.

Annual caps

The maximum daily outstanding balance of deposits (including interest accrued thereon) placed by the Group with Haier Finance Company under the Deposit Services for the three years ending 31 December 2027 will not exceed RMB309 million, RMB309 million and RMB309 million, respectively.

For the year ended 31 December 2025, the maximum daily outstanding balance of deposits (including interest accrued thereon) placed by the Group with Haier Finance Company under the Deposit Services was RMB81.1 million.

The maximum daily trading balance of foreign exchange derivative products under the Other Financial Services for the three years ending 31 December 2027 will not exceed RMB50 million, RMB50 million and RMB50 million, respectively.

For the year ended 31 December 2025, the maximum daily trading balance of foreign exchange derivative products under the Other Financial Services was RMB0.

The annual cap for the service fees paid by the Group to Haier Finance Company under the Other Financial Services for the three years ending 31 December 2027 will not exceed RMB60,000, RMB60,000 and RMB60,000, respectively.

For the year ended 31 December 2025, the service fees paid by the Group to Haier Finance Company under the Other Financial Services was nil.

Independent Non-Executive Directors' Confirmation

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed those transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Auditors' Confirmation

In accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditors, KPMG, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the work performed, the auditors of the Company confirmed to the Board that nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions:

a. nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;

b. for transactions involving the provision of goods or services by the Group, nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;

c. nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

d. with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 December 2025 are set out in note 30 to the consolidated financial statements in this annual report. Save as disclosed above, the related party transactions disclosed in note 30 do not fall within the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules and is subject to the reporting requirement. The Company is of the view that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules and disclosed the transactions in this annual report.

FUNDRAISING

For the year ended 31 December 2025, the Company has not conducted any fundraising activities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and the knowledge of the Directors, for the year ended 31 December 2025 and up to the date of this annual report, sufficient public float of at least 25% of issued Shares has been maintained in respect of the issued shares of the Company.

CHARITY

For the year ended 31 December 2025, the Group made no charitable and other donations.

SHARE OPTIONS

Neither the Company nor its subsidiaries had any share scheme within the meaning under Chapter 17 of the Listing Rules during the year ended 31 December 2025.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 26 to 41 of this annual report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Main Board of the Stock Exchange on 6 August 2024. After deducting the underwriting fees and commissions and expenses payable by our Company in connection with the Global Offering, the final net proceeds from the Global Offering amounted to approximately HK$198.9 million. The Company expects to utilise these net proceeds for the purposes as set out in the Prospectus.

The following table sets forth the planned use and actual use of the net proceeds from the Listing Date up to 31 December 2025:

Major purposes	Percentage of net proceeds	Planned allocation of total net proceeds (HK$ million)	Amount utilised as at 31 December 2025 (HK$ million)	Unutilised net proceeds as at 31 December 2025 (HK$ million)	Expected timetable of utilisation of the unutilised net proceeds from the Global Offering[1]
Development of insurance agency business	53.8%	107.0	–	107.0	by the end of 2027
Enhancing IT service offerings and research and development capabilities	26.2%	52.1	3.1	49.0	by the end of 2029
Pursuing selective investment and acquisition	10.0%	19.9	19.9	–	N/A
General working capital and general corporate purpose	10.0%	19.9	3.5	16.4	by the end of 2027
Total	100.0%	198.9	26.5	172.4	

Note:

(1) The Company will deposit the unutilised net proceeds into interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws and regulations in other jurisdictions). The expected timeline for the utilisation of the unutilised net proceeds is based on the best estimation of the commercial market situation made by the Board.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section "Management's Discussion and Analysis", no significant events affecting the Company occurred during the year ended 31 December 2025 and up to the date of this annual report.

MATERIAL LITIGATION

As at 31 December 2025, the Company was not involved in any material litigation, arbitration, or administrative proceeding that would have a material adverse effect on its financial condition or results of operations and, so far as the Company is aware, no material litigation, arbitration, or administrative proceedings was pending or threatened against the Company.

AUDITORS

The consolidated financial statements of the Group have been audited by KPMG, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment at the Annual General Meeting.

By Order of the Board
Lu Yao
Chairman and Executive Director

Qingdao, the PRC, 27 March 2026

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is pleased to present the report of the Supervisory Committee for the Reporting Period.

During the Reporting Period, the Supervisory Committee actively performed its duties and responsibilities as stipulated in the Articles of Association, the Rules of Procedure for the Supervisory Committee and the Company Law of the PRC. The Supervisory Committee effectively supervised the Company's lawful operation and financial position by present at the general meetings and Board meetings, participating in the relevant discussions and reviewing the financial statements, so as to fulfill the supervisory functions on the Directors and the senior management in discharging their duties during the Reporting Period.

1. COMPOSITION OF THE SUPERVISORY COMMITTEE

According to the Articles of Association, the Supervisory Committee consists of three Supervisors. For the year ended 31 December 2025, the Supervisory Committee comprised:

Mr. Zhu Rongwei (*Chairman*) *(Employee representative Supervisor)*
Ms. Wang Jiesi
Ms. Wang Yangyang

2. CONVENING OF THE SUPERVISORY COMMITTEE

The Supervisory Committee held 2 meetings during the Reporting Period to consider and approve, among other things, amendments to the Rules of Procedure for the Supervisory Committee, the interim financial statements and the results preview, the Report, as well as the financial control, internal control, effectiveness of the risk management system and connected transaction matters of the Company. All Supervisors attended the meetings of the Supervisory Committee, which were chaired by the chairman of the Supervisory Committee, Mr. Zhu Rongwei, in compliance with the provisions of the Company Law of the PRC and the Articles of Association.

3. ATTENDANCE/PARTICIPATION AT MAJOR MEETINGS

All Supervisors attended 6 Board meetings and 1 general meeting to understand the progress of significant decision-making progress of the Company, actively participated in the discussion of topics at the meetings, and performed their supervisory functions over the procedures and contents of the meetings.

4. ROUTINE INSPECTION AND ASSESSMENT

During the Reporting Period, the Supervisory Committee paid close attention to the operations of the Company to ensure that no irregularities were detected in the day-to-day operations of the Company, and that the Company had been in compliance with the applicable laws, rules and regulations and the Articles of Association. In addition, the Supervisory Committee also conducted a comprehensive review of the Company's internal control system.

During the Reporting Period, the Supervisory Committee supervised the Directors and senior management of the Company to ensure that the Directors and senior management of the Company had performed their duties diligently and had complied with the applicable laws, rules and regulations and the provisions of the Articles of Association.

5. INDEPENDENT VIEWS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee considered:

(1) The Company operates its business in accordance with the laws, regulations, the Articles of Association and the Listing Rules. The existing internal control system of the Company is reasonable and effective, with no material weaknesses, and is in compliance with applicable laws, rules and regulations, and is capable of meeting all the requirements for effective risk control in all material respects. The Company is able to make decisions in accordance with applicable laws, rules and regulations and strictly complies with the requirements of the PRC Company and the Articles of Association. The decision-making process of the Company's operations is legal and effective. The Company makes timely disclosure of important information about the Company in accordance with the Listing Rules and other securities regulatory and administrative requirements. The Directors and senior management have performed their duties with due diligence and strictly complied with the applicable laws, rules and regulations and the Articles of Association. There was no violation of laws and regulations, nor was there any act detrimental to the interests of the Company and the Shareholders.

(2) The Company has a sound financial system and standardised management. The Supervisory Committee reviewed the audited financial report of the Group for the year ended 31 December 2025 and other financial information. The Supervisory Committee is of the opinion that the financial report of the Company for the year ended 31 December 2025 can fully, objectively and truly reflect the operating results and financial position of the Company. The procedures for the preparation and review of the financial reports were in compliance with applicable laws, rules and regulations, the Articles of Association and the Company's internal management system. The Supervisory Committee did not find any violation of the relevant accounting standards and legal requirements by the persons involved in the preparation and review of the financial report.

(3) During the Reporting Period, the management and use of proceeds of the Global Offering were in strict compliance with relevant laws, rules and regulations and the section headed "Future Plans and Use of Proceeds" in the Prospectus. There were no circumstances that would change the use of the proceeds and impair the interests of the Shareholders.

(4) During the Reporting Period, connected transactions of the Company were conducted at arm's length prices in accordance with market rules. The implementation of connected transactions was in strict compliance with the resolutions of the Board and general meetings as well as the provisions of the relevant systems. There was no violation of laws and regulations, nor was there any abuse of authority to the detriment of the interests of the Company and its shareholders.

By order of the Supervisory Committee
Chairman of the Supervisory Committee
Zhu Rongwei

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of
Zhongmiao Holdings (Qingdao) Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Zhongmiao Holdings (Qingdao) Co., Ltd. ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 159 to 232, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition in respect of the provision of insurance agency services

Refer to Note 2(r) and Note 4 of the consolidated financial statements.

The Key Audit Matter	**How the matter was addressed in our audit**
The Group derives a majority of revenue from its insurance agency services. The Group provides agency services for insurance companies by distributing primarily property, life and health, accident and automobile insurance products and receives commissions from them for distributing their insurance products to insurance clients. We identified revenue recognition as a key audit matter because revenue is a key performance measure for the Group and a key driver of the gross margin, which increases the risk that revenue may be manipulated to meet targets and expectations.	Our audit procedures to address the recognition of revenue included the following: • Understanding and assessing the design, implementation and operating effectiveness of key internal controls over recognition of revenue; • Assessing, with the assistance of KPMG IT specialists, the design, implementation and operating effectiveness of the general control environment and system automated controls related to the IT system involved in the revenue recognition process; • Inspecting the Group's contracts with customers on a sample basis and discussing with management the contractual terms for each major type of service to evaluate the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; • Assessing existence of revenue records as set out in the management accounts, on a sample basis, by inspecting the insurance policy and other related documentation; • Confirming with the customers directly on the billing amounts, balances of accounts and bill receivables and the completion status of the service records as at the year-end on a sample basis and performing alternative procedures on unreturned confirmations; and • Comparing, on a sample basis, revenue records before and after the financial year end date with the relevant underlying documents, to assess if revenue had been recognised in the appropriate financial year.

KEY AUDIT MATTERS (Continued)

Assessing potential impairment of goodwill

Refer to Note 2(f) and Note 14 of the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
In October 2025, the Company acquired 55% equity interest in Beijing Kechuang Rongxin Technology Co., Ltd. ("**the Acquisition**"). Goodwill arising from the Acquisition amounted to RMB 147.3 million which represented the excess of the cash consideration paid over the fair value of the identifiable assets acquired and the liabilities assumed as at acquisition date. Management assessed impairment of goodwill as at 31 December 2025 by developing a value-in-use ("**VIU**") estimate with the use of an external valuer. The VIU was determined by applying a discounted cash flow model based on forecast for the relevant cash generating units ("**CGU**"s). Significant management judgements are involved in selecting the appropriate key assumptions and inputs used in the estimation, including the discount rate and forecast revenue growth rate adopted. We identified assessing potential impairment of goodwill as a key audit matter because the assessments are inherently subjective and require significant judgement and estimation which increase the risk of error or potential management bias.	Our audit procedures to address potential impairment of goodwill included the following: • Assessing the design and implementation of the key internal controls over the management's impairment assessment on goodwill; • Assessing management's identification of CGUs and the allocation of assets and liabilities to these CGUs with reference to the requirements of the applicable accounting standards; • Obtaining and inspecting the valuation report prepared by the external valuer, and involving KPMG valuation specialists to assist us in evaluating the appropriateness of the valuation methodology adopted in the impairment assessment with reference to the requirements of applicable accounting standards; • Assessing the external valuer's competence, capabilities and objectivities; • Involving KPMG valuation specialists in evaluating the reasonableness of the assumptions adopted in the preparation of the cash flow forecasts, including the discount rate and forecast revenue growth rate, with reference to our understanding of the business, historical trends and available market data; • Evaluating the sensitivity analysis performed by management on the above key assumptions, considering the resulting impact on the valuation results and whether there were any indicators of management bias; and • Assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill with reference to the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kot Chi Fuk.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
Expressed in Renminbi ("RMB")

	Note	2025 RMB'000	2024 RMB'000
Revenue	*4*	**248,051**	205,827
Cost of sales		**(157,175)**	(126,999)
Gross profit		**90,876**	78,828
Other income	*5*	**9,261**	10,677
Research and development costs		**(8,644)**	(7,246)
General and administrative expenses		**(20,636)**	(16,379)
Sales and marketing costs		**(6,381)**	(8,799)
Reversal of impairment loss		**2,015**	8
Profit from operations		**66,491**	57,089
Finance costs	*6(a)*	**(583)**	(193)
Share of profit of associates		**413**	–
Profit before taxation		**66,321**	56,896
Income tax	*7*	**(9,430)**	(10,671)
Profit for the year		**56,891**	46,225
Attributable to:			
Equity shareholders of the Company		**51,700**	46,657
Non-controlling interests		**5,191**	(432)
Other comprehensive income for the year (after tax)		**6**	–
Attributable to:			
Equity shareholders of the Company		**3**	–
Non-controlling interests		**3**	–
Total comprehensive income for the year		**56,897**	46,225
Attributable to:			
Equity shareholders of the Company		**51,703**	46,657
Non-controlling interests		**5,194**	(432)
Earnings per share			
Basic and diluted earnings per share (RMB)	*10*	**0.37**	0.39

The notes on pages 164 to 232 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	11	12,539	192
Intangible assets	12	16,722	–
Right-of-use assets	13	1,697	1,724
Goodwill	14	147,324	–
Interests in associates	16	72,367	–
Deferred tax assets	24	3,511	19
Contract costs and other assets	19	2,174	–
Time deposits	20(b)	95,297	136,282
Restricted cash	20(c)	7,920	7,736
		359,551	145,953
Current assets			
Inventories	17	42,987	–
Accounts and bills receivables	18	49,395	41,965
Contract costs and other assets	19	13,797	7,744
Cash and cash equivalents	20(a)	287,457	169,721
Time deposits	20(b)	274,309	262,638
Restricted cash	20(c)	5,857	7,372
		673,802	489,440
Current liabilities			
Accounts and other payables	21	85,431	26,896
Contract liabilities	22	16,753	1,133
Lease liabilities		403	–
Accrued expenses	23	8,720	4,269
Current taxation payables	24	3,500	4,723
		114,807	37,021
Net current assets		558,995	452,419
Total assets less current liabilities		918,546	598,372

The notes on pages 164 to 232 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025 (Continued)
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	*25*	**89,764**	–
Bank loans	*26*	**88,000**	–
Deferred tax liabilities	*24*	**1,617**	–
Other non-current liabilities	*27*	**1,403**	–
		180,784	–
NET ASSETS		**737,762**	598,372
Equity			
Paid-in capital/share capital	*28*	**141,196**	141,196
Reserves	*28*	**491,641**	458,999
Total equity attributable to equity shareholders of the Company		**632,837**	600,195
Non-controlling interests		**104,925**	(1,823)
TOTAL EQUITY		**737,762**	598,372

Approved and authorised for issue by the board of directors on 27 March 2026.

Lu Yao
Chairman

Li Tian
Director

(Company stamp)

The notes on pages 164 to 232 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Expressed in RMB)

		Total equity attributable to equity shareholders of the Company						
			Reserves					
	Note	Paid-in capital/ share capital RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 1 January 2024		105,896	126,981	6,851	125,482	365,210	(1,991)	363,219
Changes in equity for 2024:								
Profit and other comprehensive income		–	–	–	46,657	46,657	(432)	46,225
Issuance of shares by initial public offering, net of share issuance costs	*28(a)*	35,300	153,028	–	–	188,328	–	188,328
Capital contributions from non-controlling interests		–	–	–	–	–	600	600
Appropriation to PRC statutory reserve	*28(b)*	–	–	3,017	(3,017)	–	–	–
Balance as at 31 December 2024 and 1 January 2025		141,196	280,009	9,868	169,122	600,195	(1,823)	598,372
Changes in equity for 2025:								
Profit and other comprehensive income		**–**	**–**	**–**	**51,703**	**51,703**	**5,194**	**56,897**
Appropriation to PRC statutory reserve	*28(b)*	**–**	**–**	**2,983**	**(2,983)**	**–**	**–**	**–**
Acquisition of subsidiary		**–**	**–**	**–**	**–**	**–**	**105,132**	**105,132**
Dividends approved in respect of the previous year	*28(c)*	**–**	**–**	**–**	**(19,061)**	**(19,061)**	**(3,578)**	**(22,639)**
Balance as at 31 December 2025		**141,196**	**280,009**	**12,851**	**198,781**	**632,837**	**104,925**	**737,762**

The notes on pages 164 to 232 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(Expressed in RMB)

	Note	**2025** **RMB'000**	2024 RMB'000
Operating activities			
Cash generated from operations	*20(d)*	**100,818**	39,479
Income tax paid		**(11,588)**	(9,429)
Net cash generated from operating activities		**89,230**	30,050
Investing activities			
Cash generated from retrieving deposits		**354,400**	–
Cash generated from retrieving financial assets measured at fair value through profit or loss		**60,500**	18,222
Proceeds from interests received		**6,151**	603
Cash generated from disposal of long-term assets		**169**	–
Payment for the purchase of time deposits		**(322,660)**	(259,830)
Acquisition of subsidiary, net of cash acquired		**(66,764)**	–
Acquisition of associates		**(52,000)**	–
Payment for the purchase of financial assets measured at fair value through profit or loss		**(14,000)**	(17,811)
Payment for the purchase of long-term assets		**(976)**	(11)
Cash generated from other investing activities		**3**	–
Net cash used in investing activities		**(35,177)**	(258,827)
Financing activities			
Proceeds from new bank loans		**88,000**	–
Gross proceeds from the issuance of shares by initial public offering		**–**	215,967
Dividend paid to shareholders of the Company		**(19,061)**	–
Dividends paid to non-controlling interests of subsidiary		**(2,200)**	–
Listing expenses paid		**(1,030)**	(18,927)
Interests paid		**(349)**	–
Capital element of lease rentals paid	*20(e)*	**(252)**	(3,274)
Interest element of lease rentals paid	*20(e)*	**(16)**	(28)
Capital contributions from non-controlling interests		**–**	600
Net cash generated from financing activities		**65,092**	194,338
Net increase/(decrease) in cash and cash equivalents		**119,145**	(34,439)
Cash and cash equivalents at the beginning of the year		**169,721**	203,638
Effect of foreign exchange rate changes		**(1,409)**	522
Cash and cash equivalents at the end of the year	*20(a)*	**287,457**	169,721

The notes on pages 164 to 232 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB and otherwise indicated)

1 CORPORATE INFORMATION

Zhongmiao Holdings (Qingdao) Co., Ltd. ("**the Company**") was established under its former name, Qingdao Quanzhanggui Technology Co., Ltd. (青島全掌櫃科技有限公司), by Qingdao Haiyinghui Management Consulting Co., Ltd. (青島海盈匯管理諮詢有限公司) as a limited liability company in the PRC on 16 March 2017 and subsequently converted into a joint stock company with limited liability on 14 March 2023. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**the Stock Exchange**") on 6 August 2024.

On 24 October 2025, the Company acquired 55% equity interests of Beijing Kechuang Rongxin Technology Co., Ltd. (北京科創融鑫科技股份有限公司)("**Kechuang Rongxin**"), a company established in the PRC with limited liability and the shares of which are listed on the The National Equities Exchange And Quotations Co., Ltd. (stock code: 839037). Kechuang Rongxin became a non-wholly owned subsidiary of the Company, mainly engaging in providing banking technology services to financial institutions.

After the acquisition, the Company and its subsidiaries (together, "**the Group**") are principally engaged in providing insurance agency services, insurance technology services and banking technology services in the PRC. The Company is the holding company of the Group and is primarily engaged in the provision of insurance technology services.

2 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Statement of compliance

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

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

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

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

The consolidated financial statements for the year ended 31 December 2025 comprises the Company and its subsidiaries (together referred to as "**the Group**") and the Group's interests in associates.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(c) Changes in accounting policies

The Group has initially adopted the following accounting policies for annual financial statements covering periods beginning on or after 1 January 2025. Adopting these accounting policies does not have a material effect on the Group's financial statements.

- Amendments to IAS 21, Lack of Exchangeability

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

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(d) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(d)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2(k)(ii)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(d) Basis of consolidation (Continued)

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets.

NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(k)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)).

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(g) Other investments in debt and equity securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- fair value through other comprehensive income (FVOCI) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(ii)) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- fair value through profit or loss (FVPL), if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(g) Other investments in debt and equity securities (Continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)):

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

–	Building	30 years
–	Others	3 to 5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software, patents, copyrights and trademarks	5 to 10 years

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term less than 12 months and leases of low-value. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method (see Note 2(r)(ii)). Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(h) and 2(k)(ii)).

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(j) Leased assets (Continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in profit and loss.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECL**"s) on financial assets measured at amortised cost (including cash and cash equivalents, accounts and bill receivables and other receivables).

Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)
In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts and bill receivables are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs of disposal. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(r)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(r)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(r)(ii)).

(m) Accounts and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Accounts and bill receivables that do not contain a significant financing component are initially measured at their transaction price. Accounts and bill receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(g)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(k)(i).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, and the other cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

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

Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill;

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(r) Revenue recognition

(i) Revenue from contracts with customers

Income is classified by the Group as revenue when it arises from the provision of services and sales of goods in the ordinary course of the Group's business.

For insurance agency services, the Group derives agency revenue serving as an insurance agency to distribute insurance products on behalf of insurance companies by which the Group is entitled to receive commissions from the insurance companies based on the premium paid by the policyholders for the related insurance policy sold ("**sales services**"). For long-term insurance products, the Group is also entitled to receive trailing commissions when the Group completes the post-sales services ("**post-sales services**").

The Group also derives revenue by providing insurance technology services, banking technology services and other services to certain customers.

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increases in shareholders' equity, other than increases relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the Group and maximises the use of observable inputs to estimate the stand-alone selling price.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(r) Revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

– the customer can control the asset created or enhanced during the Group's performance; or

– the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For a performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For a performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of the relevant products or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

– the Group has a present right to payment for the goods or services;

– the Group has transferred physical possession of the goods to the customer;

– the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and

– the customer has accepted the goods or services.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(r) Revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified goods or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer and recognises revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration or is determined according to the established amount or proportion.

The timing of revenue recognition for the Group's principal revenue streams is described as follows:

– Revenue from insurance agency services

The revenue from insurance agency services is recognised at a point in time upon successful distributions of the relevant insurance products.

The revenue from post-sales services for long-term life and health insurance products is recognised ratably over the period of services according to the contract terms.

– Revenue from insurance technology services

The Group primarily provides insurance technology services to corporate customers by designing and developing IT solutions based on their needs. The revenue is recognised at a point in time when the customized software and/or IT system is delivered to and accepted by the customer.

The revenue from other IT services is recognised ratably over the period of services according to the contract terms.

– Revenue from banking technology services

The revenue from banking technology services is recognised when the obligations of selling digital financial products are satisfied or ratably over the period of providing cash-sorting services according to the contract terms.

– Revenue from other services

The Group provides HR consulting services and marketing and promotion services to corporate customers.

HR consulting service revenue is recognised at a point in time upon the completion of the service with a success-based fee. Marketing and promotion service revenue is recognised when or as the service is rendered.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(r) Revenue recognition (Continued)

(ii) Revenue from other sources and other income

– Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(k)).

– Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(s) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value as follows.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(s) Inventories and other contract costs (Continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(s)(i)), property, plant and equipment (see Note 2(h)) or intangible assets (see Note 2(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;

- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract ("**assets related to contract costs**") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or the Group's parent.

2 MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(u) Related parties (Continued)

(ii) An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

- Both entities are joint ventures of the same third party.

- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

- The entity is controlled or jointly controlled by a person identified in (i).

- A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

- The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

- Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, the Group has made the following critical accounting judgements:

(a) Recognition of revenue

In determining the amount and timing of revenue recognition, the revenue recognition process as described in Note 2(r) is used, which requires judgments and estimates. These judgments and estimates include determining the transaction price of contracts and determining the stand-alone selling price for each distinct performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The stand-alone selling price is the price at which the Group would sell a promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the Group and maximises the use of observable inputs to estimate the stand-alone selling price.

(b) Impairment assessment of goodwill

If circumstances indicate that the carrying amount of a non-financial asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised. The carrying amounts of non-financial assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable.

Goodwill is tested annually for impairment. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount of the cash generating unit containing goodwill is the greater of the fair value less costs to sell and the value-in-use. In determining the value-in-use, expected cash flows generated by the cash generating unit are discounted to their present value, which requires significant judgement relating to the appropriate key assumptions and inputs, mainly including the discount rate and forecast revenue growth rate adopted. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections.

4 REVENUE AND SEGMENT REPORTING

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

(a) Disaggregation of revenue

	Note	**2025** **RMB'000**	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by business segment			
– Insurance agency services	*(i)*	**211,339**	187,693
– Banking technology services		**19,565**	–
– Insurance technology services		**17,018**	16,961
– Other services		**129**	1,173
Total		**248,051**	205,827

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

Disaggregated by the purchasers of insurance products

	2025 **RMB'000**	2024 RMB'000
Household insurance clients	**115,464**	115,576
Corporate insurance clients	**95,875**	72,117
Total	**211,339**	187,693

4 REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue (Continued)

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

Disaggregated by major products

	2025 RMB'000	2024 RMB'000
Property insurance products	**90,988**	69,993
Automobile insurance products	**62,755**	55,334
Accident insurance products	**41,827**	38,213
Life and health insurance products	**15,769**	24,153
Total	**211,339**	187,693

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

	2025 RMB'000	2024 RMB'000
Point-in-time	**224,672**	192,084
Over-time	**23,379**	13,743
Total	**248,051**	205,827

4 REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue (Continued)

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

	2025	2024
	RMB'000	RMB'000
A	**79,122**	76,509
B	**35,038**	32,508
C	**24,873**	*

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

(b) Segment reporting

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

– Insurance agency services

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

– Insurance technology services

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

– Banking technology services

The Group provides digital financial products and services of cash-sorting to financial institutions.

– Other services

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

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results

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

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. The items, such as segment expenses and other income, segment assets and liabilities are not regularly provided to the Group's most senior executive management. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

	Insurance Agency Services RMB'000	Banking Technology Services RMB'000	Insurance Technology Services RMB'000	Other Services RMB'000	Total RMB'000
Year ended 31 December 2024					
Revenue	187,693	–	16,961	1,173	205,827
Cost of sales	(118,633)	–	(7,650)	(716)	(126,999)
Gross Profit	69,060	–	9,311	457	78,828
Year ended 31 December 2025					
Revenue	**211,339**	**19,565**	**17,018**	**129**	**248,051**
Cost of sales	**(138,816)**	**(9,142)**	**(9,181)**	**(36)**	**(157,175)**
Gross Profit	**72,523**	**10,423**	**7,837**	**93**	**90,876**

(ii) Geographic information

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

5 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income	**9,390**	9,296
Government grants	**667**	518
Realised gains from FVPL	**254**	411
Unrealised loss from FVPL	**(686)**	–
Foreign exchange (loss)/gains	**(1,409)**	522
Others	**1,045**	(70)
Total	**9,261**	10,677

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest expense on bank loans	**412**	–
Interest expense on lease liabilities	**16**	28
Others	**155**	165
Total	**583**	193

6 PROFIT BEFORE TAXATION (Continued)

(b) Staff costs

	Note	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits		**37,081**	29,094
Contributions to defined contribution retirement plans	*(i)*	**3,326**	2,500
Total		**40,407**	31,594

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

(c) Other items

	2025 RMB'000	2024 RMB'000
Referral fees	**125,211**	103,633
Commission fees	**4,596**	7,815
Service fees	**4,559**	4,236
IT subcontracting fees	**4,461**	1,749
Depreciation and amortisation charges		
– Depreciation of right-of-use assets	**1,869**	1,055
– Depreciation of property, plant and equipment	**482**	143
– Amortisation of intangible assets	**421**	–
Cost of inventories sold	**1,833**	–
Auditors' remuneration	**1,387**	1,302
Listing expenses	**–**	1,286

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	2025 **RMB'000**	2024 RMB'000
Current tax		
– PRC Enterprise Income Tax	**9,755**	10,675
Deferred tax		
– Reversal of temporary differences	**(325)**	(4)
Total	**9,430**	10,671

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

	2025 **RMB'000**	2024 RMB'000
Profit before taxation	**66,321**	56,896
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**11,942**	11,033
Super-deduction of research and development expense	**(1,022)**	(1,309)
Tax effect of non-deductible expenses and others	**(1,490)**	947
Total	**9,430**	10,671

Qingdao Haier Insurance Agency Co., Ltd., Kechuang Rongxin and its two subsidiaries (Beijing Yizhao Rongqing Technology Service Co., Ltd. and Beijing Science and Technology Innovation Rong'an Internet of Things Technology Co., Ltd.), were subject to an income tax rate of 25%, according to the PRC Enterprise Income Tax Law ("**the EIT Law**") for the years ended 31 December 2025 and 2024.

The Company was qualified as a "high and new technology enterprise" ("**HNTE**") in November 2019 and received approval from the relevant governmental authorities for the renewal of its HNTE status in December 2025. The Company was entitled to the preferential income tax rate of 15% for the years ended 31 December 2025 and 2024.

The Group's other subsidiaries in the PRC were recognised as small low-profit enterprises. During the years ended 31 December 2025 and 2024, according to the EIT Law, the portion of annual taxable income which does not exceed RMB 3 million shall be treated as 25% for the purpose of taxable income calculation, and subject to an enterprise income tax at a rate of 20%.

The Group did not generate any taxable profits arising in Hong Kong for the year ended 31 December 2025 (2024: Nil).

8 DIRECTORS' EMOLUMENTS

Directors' emoluments during the year are as follows:

	Year ended December 31, 2025				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors					
– Mr. Lu Yao	–	498	457	43	998
– Mr. Zhang Zhiquan	–	412	73	43	528
– Mr. Wang Heping	–	485	227	43	755
– Ms. Li Tian	–	377	375	43	795
Independent non-executive director					
– Ms. Fang Qiaoling	164	–	–	–	164
– Ms. Ng Sin Kiu	164	–	–	–	164
– Mr. Chung Wai Man	164	–	–	–	164
Supervisor					
– Mr. Zhu Rongwei	–	338	189	43	570
– Ms. Wang Yangyang	–	327	161	43	531
– Ms. Wang Jiesi	–	–	–	–	–
Total	492	2,437	1,482	258	4,669

8 DIRECTORS' EMOLUMENTS (Continued)

	Year ended December 31, 2024				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors					
– Mr. Lu Yao	–	476	482	42	1,000
– Mr. Zhang Zhiquan	–	670	165	42	877
– Mr. Wang Heping	–	507	212	42	761
– Ms. Li Tian	–	368	233	42	643
Independent non-executive director					
– Ms. Fang Qiaoling	69	–	–	–	69
– Ms. Ng Sin Kiu (effective on 6 August 2024)	69	–	–	–	69
– Mr. Chung Wai Man (effective on 6 August 2024)	69	–	–	–	69
Supervisor					
– Mr. Zhu Rongwei	–	331	120	42	493
– Ms. Wang Yangyang (effective on 17 June 2024)	–	156	59	22	237
– Ms. Sun Yanlu (Resigned on 20 June 2024)	–	152	40	20	212
– Ms. Wang Jiesi	–	–	–	–	–
Total	207	2,660	1,311	252	4,430

(i) The emoluments of Ms. Wang Jiesi were waived with her authorisation. There was no other arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the reporting period.

(ii) For the years ended 31 December 2025 and 2024, no emoluments were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, supervisors and others included in the five highest paid individuals for the years ended 31 December 2025 and 2024 are set forth below:

	2025 Number of individuals	2024 Number of individuals
Directors or Supervisors	**2**	3
Others	**3**	2
Total	**5**	5

The emoluments of the directors and supervisors are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**1,176**	776
Discretionary bonuses	**1,095**	657
Retirement scheme contributions	**130**	85
Total	**2,401**	1,518

The emoluments of the other individuals with the highest emoluments are all within the following band:

	2025 Number of individuals	2024 Number of individuals
HKD Nil - HKD 1,000,000	**3**	2

During the year, no amounts were paid or payable by the Group to the above remaining highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 EARNINGS PER SHARE

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

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**the Stock Exchange**") on 6 August 2024. 35,300,000 ordinary shares of par value of RMB1 each were issued at a price of HK$7.00 per ordinary share upon the listing of the shares of the Company's shares. The proceeds of HK$38,555,638 (equivalent to approximately RMB35,300,000), representing the par value, were credited to the Company's share capital.

	2025	2024
	RMB'000	RMB'000
Issued ordinary shares at 1 January	**141,196**	105,896
Effect of shares issued by initial public offering	**–**	14,217
Weighted average number of ordinary shares at 31 December	**141,196**	120,113

	2025	2024
	RMB'000	RMB'000
Net profit attributable to equity shareholders of the Company	**51,700**	46,657
Weighted average number of ordinary shares in issue as at 31 December	**141,196**	120,113
Basic earnings per share attributable to equity shareholders of the Company (in RMB per share)	**0.37**	0.39

Diluted earnings per share for the years ended 31 December 2025 and 2024 were the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the year.

11 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery, electronic equipment and vehicles RMB'000	Office and other equipment RMB'000	Total RMB'000
Cost:				
As at 1 January 2024	–	896	303	1,199
Additions	–	11	–	11
As at 31 December 2024/1 January 2025	–	907	303	1,210
Arisen through acquisition	11,339	24,579	1,615	37,533
Additions	–	170	-	170
Disposals	–	(362)	–	(362)
As at 31 December 2025	**11,339**	**25,294**	**1,918**	**38,551**
Accumulated depreciation:				
As at 1 January 2024	–	(627)	(248)	(875)
Charge for the year	–	(134)	(9)	(143)
As at 31 December 2024/1 January 2025	–	(761)	(257)	(1,018)
Arisen through acquisition	(2,460)	(20,976)	(1,186)	(24,622)
Charge for the year	(76)	(339)	(67)	(482)
Disposals	–	110	–	110
As at 31 December 2025	**(2,536)**	**(21,966)**	**(1,510)**	**(26,012)**
Net book value:				
As at 31 December 2024	–	146	46	192
As at 31 December 2025	**8,803**	**3,328**	**408**	**12,539**

12 INTANGIBLE ASSETS

	2025 RMB'000	2024 RMB'000
Cost:		
As at 1 January	1,430	1,430
Changes as a result of acquisition	16,190	–
Additions	953	–
As at 31 December	18,573	1,430
Accumulated amortisation:		
As at 1 January	(1,430)	(1,430)
Charge for the year	(421)	–
As at 31 December	(1,851)	(1,430)
Net book value:		
As at 31 December	16,722	–

13 RIGHT-OF-USE ASSETS

	2025	2024
	RMB'000	RMB'000
Cost:		
At 1 January	**1,829**	1,011
Changes as a result of acquisition	**4,658**	–
Inception of leases	**423**	2,767
Expiration of leases and early termination	**(3,088)**	(1,949)
At 31 December	**3,822**	1,829
Accumulated depreciation:		
At 1 January	**(105)**	(550)
Changes as a result of acquisition	**(3,230)**	–
Charge for the year	**(1,869)**	(1,055)
Expiration of leases and early termination	**3,079**	1,500
At 31 December	**(2,125)**	(105)
Net book value:		
At 31 December	**1,697**	1,724

The Group has obtained the right to use other properties as its place of business through tenancy agreements.

14 GOODWILL

	2025 RMB'000	2024 RMB'000
At 1 January	–	–
Acquired during the year	147,324	–
Impairment	–	–
Carrying amount at 31 December	147,324	–

As at December 31, 2025, the goodwill of the Group was generated from the acquisition of Kechuang Rongxin. The goodwill is not expected to be deductible for tax purposes.

Impairment review on the goodwill has been conducted by the Group as at December 31, 2025. For the purpose of impairment testing, goodwill is fully allocated to Kechuang Rongxin, the CGU (cash generating unit), which is considered the lowest level within the Group for which the goodwill is monitored for internal management purpose.

The recoverable amount of goodwill is determined based on the value-in-use calculations using the discounted cash flow method. The Group forecasted the annual revenue based on the estimated sales volume for the next five-year period, and the cash flows beyond the five-year period were extrapolated using an estimated annual growth rate of zero. Pre-tax discount rate of 9.83% was used to reflect market assessment of time value and the specific risks relating to the CGU.

The Group has not identified reasonably possible changes in key assumptions that could cause carrying amount of the CGU to exceed the recoverable amount.

(Expressed in RMB and otherwise indicated)

15 INVESTMENT IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries as at 31 December 2025, which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Date and place of incorporation	Nature of legal entity	Registered capital	Held by the Company	Held by the subsidiary	Principal activities
Directly held						
Qingdao Haier Insurance Agency Co., Ltd.* (青島海爾保險代理有限公司)	17 December 2001/ the PRC	limited liability company	RMB 50,000,000	100%	–	Insurance agency services
Qingdao Zhongmiao Caizhi Human Resource Management Consulting Co., Ltd. * (青島眾淼才智人力資源管理諮詢有限公司)	11 September 2020/ the PRC	limited liability company	RMB 2,000,000	100%	–	HR consulting services
Qingdao Zhongmiao Shujin Technology Co., Ltd. * (青島眾淼數金科技有限公司)	31 December 2021/ the PRC	limited liability company	RMB 10,000,000	100%	–	Investment holding
Beijing Kechuang Rongxin Technology Co., Ltd. * (北京科創融鑫科技股份有限公司)	4 March 2004/ the PRC	company limited	RMB 96,000,000	55%	–	Banking technology services
Indirectly held						
Qingdao Yunhai Lianji Technology Co., Ltd. * (青島雲海聯冀科技有限公司)	16 August 2021/ the PRC	limited liability company	RMB 3,000,000	–	51%	Advisory services

* The English translation of names is for reference only. The official names of these are in Chinese.

16 INTERESTS IN ASSOCIATES

	Note	2025 RMB'000	2024 RMB'000
Qingdao Hongyun Ruiheng Private Equity Fund Management Co., Ltd ("**Hongyun Ruiheng**")	*(i)*	**53,033**	–
Unlisted associates of Kechuang Rongxin	*(ii)*	**19,334**	–
Total		**72,367**	–

(i) On 25 June 2025, the Company entered into the agreement for Hongyun Ruiheng, an unlisted company mainly engaged in investment management of private securities investment funds. The Company has completed its capital injections with amount of RMB 52 million and the Company holds 33% equity interests upon completion, which contribute to significant influence to Hongyun Ruiheng.

(ii) The Group has interests in a number of immaterial associates that are invested through Kechuang Rongxin and are accounted for using equity method.

Summarised financial information of the associates is disclosed as follow:

Hongyun Ruiheng

	2025 RMB'000	2024 RMB'000
At the beginning of the year	**–**	–
Addition	**52,000**	–
The Group's share of profit	**1,033**	–
Total	**53,033**	–

Unlisted associates of Kechuang Rongxin

	2025 RMB'000	2024 RMB'000
At the beginning of the year	**–**	–
Addition	**19,954**	–
The Group's share of profit	**(620)**	–
Total	**19,334**	–

17 INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	7,662	–
Finished goods	36,058	–
Less: loss allowance	(733)	–
Total	42,987	–

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	1,833	–
Reversal of write-down of inventories	(180)	–
Total	1,653	–

18 ACCOUNTS AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Accounts and bills receivables	51,748	42,048
Less: loss allowance	(2,353)	(83)
Total	49,395	41,965

Ageing analysis

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

	2025 RMB'000	2024 RMB'000
Within 3 months (inclusive)	34,113	41,277
3 months to 6 months (inclusive)	12,428	596
6 months to 1 year (inclusive)	2,344	92
Over 1 year	510	–
Accounts and bills receivables, net.	49,395	41,965

Further details on the Group's credit policy and credit risk arising from accounts and bills receivables are set out in Note 29(a).

19 CONTRACT COSTS AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Costs to fulfil contracts	5,790	2,508
Retention money and security deposits	4,171	–
Investment property	1,326	–
Input value-added tax to be deducted	1,242	788
Prepayments to suppliers	1,151	4,319
Renovation and decoration costs	494	–
Dividend receivables	245	–
Others	1,552	129
Total	15,971	7,744

20 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

(a) Cash and cash equivalents:

	Note	2025 RMB'000	2024 RMB'000
Cash at banks		287,117	169,691
Cash at Haier Group Finance Co., Ltd.	*(i)*	21	–
Cash at other financial institutions		319	30
Total		287,457	169,721

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

20 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS (Continued)

(b) Time deposits:

	Note	2025 RMB'000	2024 RMB'000
Current assets			
– Time deposits	(i)	**274,309**	262,638
Non-current assets			
– Time deposits	(ii)	**95,297**	136,282
Total		**369,606**	398,920

(i) As at 31 December 2025, current time deposits of the Group represent cash kept in China Construction Bank Co., Ltd., China Merchants Bank Co., Ltd., Shanghai Pudong Development Bank Co., Ltd., Hua Xia Bank Co., Ltd. and Wing Lung Bank Co., Ltd. The terms of the time deposits are beyond three-month period and within one-year period maturity.

(ii) Non-current time deposits of the Group represent cash kept in Haier Group Finance Co., Ltd., China Merchants Bank Co., Ltd. and China Construction Bank Co., Ltd. The terms of the time deposits are beyond one-year period.

(c) Restricted cash:

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
– Guarantee deposits	(i)	**7,920**	7,736
Current assets			
– Cash collected on behalf of other parties	(ii)	**5,857**	7,372
Total		**13,777**	15,108

(i) As an insurance agency with nationwide Insurance Intermediary License issued by former China Banking Regulatory Commission, the registered capital of Qingdao Haier Insurance Agency Co., Ltd. is required to be no less than RMB50 million, with 15% of which as a liquidity reserve.

(ii) Cash collected on behalf of other parties mainly includes insurance premiums collected on behalf of insurance companies and insurance claims collected on behalf of the policyholders but not yet remitted as at the balance sheet dates.

20 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS (Continued)

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

	Note	**2025** **RMB'000**	2024 RMB'000
Profit before taxation		**66,321**	56,896
Adjustments for			
Depreciation of property, plant and equipment	*6(c)*	**482**	143
Amortisation of intangible assets	*6(c)*	**421**	–
Depreciation of right-of-use assets	*6(c)*	**1,869**	1,055
Amortisation and depreciation of other long-term assets	*6(c)*	**140**	–
Reversal of impairment loss		**(2,015)**	(8)
Interest expense	*6(a)*	**428**	28
Interest income from time deposits		**(8,563)**	(7,415)
Foreign exchange loss/(gains)		**1,409**	(522)
Net realised gains from FVPL	*5*	**(254)**	(411)
Net unrealised loss on investments	*5*	**686**	–
Sales and marketing expenses on provision		**237**	–
Net realised gains from interests in associates	*5*	**(413)**	–
Gains from disposal of long-term assets		**(169)**	–
Operating profit before changes in working capital		**60,579**	49,766
Changes in working capital			
Decrease/(increase) in accounts and bills receivables		**26,115**	(11,151)
Increase in amounts due from restricted cash		**(184)**	(191)
Decrease/(increase) in contract costs and other assets		**4,905**	(4,748)
(Decrease)/increase in accounts and other payables		**(2,728)**	5,724
Increase/(decrease) in contract liabilities		**10,106**	(93)
Increase in accrued expenses		**2,025**	172
Cash generated from operations		**100,818**	39,479

20 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS (Continued)

(e) Reconciliation of liabilities arising from financing activities:

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

	Lease liabilities	
	2025	2024
	RMB'000	RMB'000
As at 1 January	**–**	244
Changes from financing cash flows:		
Capital element of lease rentals paid	**(252)**	(3,274)
Interest element of lease rentals paid	**(16)**	(28)
Other changes:		
Changes as a result of acquisition	**1,329**	–
Increase in lease liabilities	**571**	2,767
Interest expenses	**16**	28
Others	**(158)**	263
As at 31 December	**1,490**	–

21 ACCOUNTS AND OTHER PAYABLES

	Note	2025 RMB'000	2024 RMB'000
Accrued acquisition consideration	*(i)*	**55,000**	–
Amounts payable to suppliers	*(ii)*	**17,704**	16,329
Dividend payable		**3,578**	–
Insurance premiums payable	*(iii)*	**3,365**	2,474
Accrued Interests	*(iv)*	**63**	–
Accrued listing expenses		**–**	1,029
Others		**5,721**	7,064
Total		**85,431**	26,896

(i) The accrued acquisition consideration is derived from the acquisition of Kechuang Rongxin.

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

	2025 RMB'000	2024 RMB'000
Within 3 months (inclusive)	**17,213**	16,329
3 months to 1 year (inclusive)	**129**	–
Over 1 year	**362**	–
Total	**17,704**	16,329

(iii) The insurance premiums payable are insurance premiums collected on behalf of insurance companies but not yet remitted as at the balance sheet dates.

(iv) The accrued interests are generated from the bank loans (see Note 26) and will be paid within one year.

22 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Banking technology services	**13,826**	–
Insurance technology services	**2,132**	352
Insurance agency services	**795**	781
Total	**16,753**	1,133

23 ACCRUED EXPENSES

	2025 RMB'000	2024 RMB'000
Accrued staff costs	**7,654**	4,072
Value-added tax and surcharge payable	**999**	176
Others	**67**	21
Total	**8,720**	4,269

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

PRC Corporate Income Tax

	2025 RMB'000	2024 RMB'000
At 1 January	**4,723**	3,477
Arising from acquisition	**610**	–
Provisions for the year	**9,755**	10,675
Payments during the year	**(11,588)**	(9,429)
At 31 December	**3,500**	4,723

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised

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

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

Deferred tax arising from:

	Impairment loss RMB'000	Unrealized profits RMB'000	Changes in the fair value RMB'000	Other deductible temporary difference RMB'000	Total RMB'000
At 1 January 2024	15	–	–	–	15
Credit to profit or loss *(Note 7(a))*	4	–	–	–	4
At 31 December 2024 and 1 January 2025	19	–	–	–	19
Changes as a result of acquisition	2,597	205	–	(1,252)	1,550
(Charged)/Credit to profit or loss *(Note 7(a))*	(1,083)	4	113	1,291	325
At 31 December 2025	1,533	209	113	39	1,894

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

(ii) Reconciliation to the consolidated statements of financial position

	2025 RMB'000	2024 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	**3,511**	19
Net deferred tax liability recognised in the consolidated statements of financial position	**(1,617)**	–
At the end of the year	**1,894**	19

25 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2025 RMB'000	2024 RMB'000
Contingent consideration arising from acquisition	*(i)*	**89,764**	–
Total		**89,764**	–

(i) The Group's financial liabilities measured at fair value through profit or loss is generated from the acquisition of Kechuang Rongxin and represents the fair value of contingent consideration based on the performance compensation arrangement.

26 BANK LOANS

	Note	2025 RMB'000	2024 RMB'000
Unsecured bank loans	*(i)*	**88,000**	–
Total		**88,000**	–

(i) On 12 September 2025, the Group entered into a three-year loan facility agreement with Bank of China Limited and Industrial and Commercial Bank of China Limited, under which the Group obtain loans for paying the accrued consideration and contingent consideration about the acquisition of Kechuang Rongxin. The carrying amount represents the drawn loan principal as at the end of each year.

27 OTHER NON-CURRENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities	1,087	–
Provisions	316	–
Total	1,403	–

28 CAPITAL AND RESERVES

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

On 6 August 2024, 35,300,000 ordinary shares of par value of RMB1 each were issued at a price of HK$7.00 per ordinary share upon the listing of the shares of the Company's shares. The proceeds of HK$38,555,638 (equivalent to approximately RMB35,300,000), representing the par value, were credited to the Company's share capital. The share issuance costs paid and payable mainly include underwriting commissions, lawyers' fees, reporting accountants' fee and other related costs, which were incremental costs directly attributable to the issuance of the new shares and were treated as a deduction against the share premium arising from the issuance. The remaining proceeds, net of share issuance costs, of approximately HK$167,141,425 (equivalent to approximately RMB153,028,003) were credited to the Company's capital reserve account. No share capital changes occurred in 2025.

(b) PRC statutory reserve

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

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

(c) Dividends

A final dividend in respect of the year ended 31 December 2024 of RMB0.135 per share was approved at the Annual General Meeting held on June 6, 2025 and the final dividend totally amounting to RMB19,061,406 was paid before 4 July 2025 to the shareholders whose names appear on the register of members of the Company on 13 June 2025.

28 CAPITAL AND RESERVES (Continued)

(d) Capital management

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

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

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

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

28 CAPITAL AND RESERVES (Continued)

(e) Movements in components of equity

The changes of each component of the Group's consolidated equity during the year is set out in the consolidated statements of changes in equity. Details of changes in the Company's individual components of equity from 1 January 2024 to 31 December 2025 are set out below:

		Reserves			
	Paid-in capital/ share capital RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2024	105,896	126,981	6,851	61,667	301,395
Changes in equity for 2024:					
Profit for the year	–	–	–	30,167	30,167
Issuance of shares by initial public offering, net of share issuance costs	35,300	153,028	–	–	188,328
Appropriation to PRC statutory reserve	–	–	3,017	(3,017)	–
Balance at 31 December 2024 and 1 January 2025	**141,196**	**280,009**	**9,868**	**88,817**	**519,890**
Changes in equity for 2025:					
Profit for the year	**–**	**–**	**–**	**29,830**	**29,830**
Appropriation to PRC statutory reserve	**–**	**–**	**2,983**	**(2,983)**	**–**
Dividends approved in respect of the previous year	**–**	**–**	**–**	**(19,061)**	**(19,061)**
Balance at 31 December 2025	**141,196**	**280,009**	**12,851**	**96,603**	**530,659**

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit risk, liquidity risk and interest rate risk arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to accounts and bill receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash and time deposits is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Accounts and bill receivables

In respect of accounts and bill receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and bill receivable are non-interest bearing. The credit period offered by the Group is generally within three months. The Group seeks to maintain strict control over the outstanding receivables. Overdue balances are reviewed regularly by the management of respective business segment. The Group does not have any off-balance-sheet credit exposure related to its customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2024 and 2025, top five trade receivables account for 69.31% and 52.44% of total accounts and bill receivables.

The Group measures loss allowances for accounts and bill receivables at an amount equal to lifetime ECLs, which is calculated with reference to the customer's external credit rating. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables

Other receivables of the Group expose to credit risk mainly arise from retention money and security deposits, which resulting from the banking technology services. Measures including deposits management, regular inspection, collection management and individual assessments are performed by the Group to maintain control over credit risks.

The Group measures loss allowances for other receivables at an amount equal to lifetime ECLs, based on historical credit loss experience, overdue days, current condition and predictions of future economic conditions.

The following table provides information about the Group's exposure to credit risk and ECLs for accounts and bill receivables and other receivables as at 31 December 2024 and 2025:

	As at 31 December 2025		
	Expected loss rate	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Current	**12.06%**	**61,693**	**7,442**

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	0.20%	42,048	83

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

Movement in the loss allowance account in respect of accounts and bill receivables and other receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	83	91
Changes as a result of acquisition	9,378	–
Loss allowance reversed during the year	(2,010)	(8)
Written off	(9)	–
Balance at 31 December	7,442	83

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the year of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the year) and the earliest date the Group can be required to pay:

	As at 31 December 2025 contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount in consolidated statement of financial position RMB'000
Accounts and other payables	85,431	–	–	–	85,431	85,431
Bank loans	1,996	2,059	89,716	–	93,771	88,000
Lease Liabilities	456	351	651	200	1,658	1,490
Total	87,883	2,410	90,367	200	180,860	174,921

	As at 31 December 2024 contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount in consolidated statement of financial position RMB'000
Accounts and other payables	26,896	–	–	–	26,896	26,896
Total	26,896	–	–	–	26,896	26,896

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from variable-rate bank loans. Bank loans issued at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group monitors the related interest exposure closely to ensure the interest rate risk is maintained at an acceptable level. The level of mismatch of interest rate repricing that may be undertaken is monitored closely.

As at 31 December 2024, the Group had no bank loans. As at 31 December 2025, the Group had bank loans of RMB88,000,000 with variable-rate arrangement for repricing the rate annually based on the one-year Loan Prime Rate (LPR). The Group's exposures to interest rates on financial assets and liabilities are mainly concentrated on the fluctuation of Loan Prime Rate (LPR) arising from bank loans in which the Group considered the effect is immaterial.

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) Relationship with related parties

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

(b) Key management personnel remuneration

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**2,437**	2,660
Discretionary bonuses	**1,482**	1,311
Retirement scheme contributions	**258**	252
Total	**4,177**	4,223

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

	2025 RMB'000	2024 RMB'000
Haier Group Corporation and its subsidiaries and affiliated companies		
– Revenue from IT and consulting services	**5,157**	11,863
– Referral and service fees	**(2,853)**	(669)
– Interest income	**622**	43
– General and administrative expenses and others	**(3,251)**	(1,581)

30 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) The balances of transactions with related parties:

	2025 RMB'000	2024 RMB'000
Haier Group Corporation and its subsidiaries and affiliated companies		
– Accounts and bill receivables	**4,903**	7,249
– Cash and cash equivalent and restricted cash kept in related parties	**80,512**	20,040
– Accounts and other payables	**(1,163)**	(1,937)

31 ACQUISITION OF SUBSIDIARY

On 24 October 2025, the Company acquired 55% equity interests of Kechuang Rongxin (see Note 1). The Group has concluded that the acquisition constitutes a newly acquired business.

The Group believed that the acquisition will strategically extend the Group from an insurance agency and technology-solution services provider into a broader fintech services provider focused on financial asset digitalisation. Kechuang Rongxin's expertise in financial asset digitalisation complements the Group's insurance related IT capabilities, which will enable joint solutions and cash-asset lifecycle products for bank and insurance scenarios. After the acquisition, Kechuang Rongxin becomes a non-wholly owned subsidiary of the Company, which will facilitate capitalisation efforts, raise the market profile and create a new business growth opportunities for the Group.

Upon completion, the financial results of Kechuang Rongxin have therefore been consolidated into the financial statements of the Group. For the year ended 31 December 2025, Kechuang Rongxin contributed revenue of RMB19,581 thousand and net profit of RMB9,587 thousand.

31 ACQUISITION OF SUBSIDIARY (Continued)

(a) Consideration transferred

The following table summarises the acquisition date fair value if each major class of consideration transferred.

	Note	24 October 2025 RMB'000
Cash and payables		164,016
Contingent consideration	*(i)*	89,174
Total consideration		253,190

(i) The Group has agreed to pay the selling shareholders in three years' time additional consideration of RMB107,200 thousand if Kechuang Rongxin's net profit attributable to equity shareholders for the next three years meet the target profit respectively. The Group has included RMB89,174 thousand as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. At 31 December 2025, the contingent consideration had increased to RMB89,764 thousand (see Note 25).

(b) Acquisition-related costs

The Group incurred acquisition-related costs of RMB200 thousand on audit fees and other expenses. These costs have been included in general and administrative expenses.

31 ACQUISITION OF SUBSIDIARY (Continued)

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair value amounts of assets acquired and liabilities assumed at the date of acquisition.

	24 October 2025 RMB'000
Property, plant and equipment	12,911
Intangible assets	16,190
Right-of-use assets	1,428
Investment property	1,338
Interests in associates	19,955
Financial assets at fair value through profit or loss	46,597
Deferred tax assets	3,161
Contract costs and other assets	8,083
Inventories	43,374
Accounts receivables	31,674
Cash and cash equivalents	43,236
Accounts and other payables	(5,378)
Contract liabilities	(5,514)
Accrued expenses	(2,428)
Current taxation payable	(610)
Lease liabilities	(1,329)
Provisions	(79)
Deferred tax liabilities	(1,611)
Total identifiable net assets acquired	210,998

31 ACQUISITION OF SUBSIDIARY (Continued)

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	24 October 2025 RMB'000
Total consideration		**253,190**
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Kechuang Rongxin		**105,132**
Less: fair value of identifiable net assets	*(i)*	**(210,998)**
		147,324

(i) The goodwill is attributable mainly to the technical advantage of Kechuang Rongxin's banking technology services and the synergies expected to be achieved from integrating Kechuang Rongxin into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purpose.

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		–	13
Intangible assets		936	–
Investments in subsidiaries	15	311,096	57,906
Interests in associates		53,033	–
Deferred tax assets		92	1
Contract costs and other assets		354	–
Time deposits		95,297	52,356
		460,808	110,276
Current assets			
Accounts and bills receivables		23,392	11,106
Contract costs and other assets		7,430	2,643
Cash and cash equivalents		140,378	163,137
Time deposits		187,984	262,638
		359,184	439,524
Current liabilities			
Accounts and other payables		107,632	26,733
Contract liabilities		1,554	347
Accrued expenses		1,963	1,737
Current taxation payables		420	1,093
		111,569	29,910
Net current assets		247,615	409,614
Total assets less current liabilities		708,423	519,890

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss		89,764	–
Bank loans		88,000	–
		177,764	–
NET ASSETS		530,659	519,890
Equity			
Paid-in capital/share capital	*28*	141,196	141,196
Reserves	*28*	389,463	378,694
TOTAL EQUITY		530,659	519,890

Approved and authorised for issue by the board of directors on 27 March 2026.

Lu Yao
Chairman

Li Tian
Director

(Expressed in RMB and otherwise indicated)

33 SUBSEQUENT EVENTS

According to the board resolution passed in the board meeting of the Company held on 27 March 2026, the Company proposed to adopt cash dividend payment method for its 2025 profit distribution and distribute a dividend of RMB0.16 (tax inclusive) per share to all shareholders, and based on the total number of issued shares of the Company at 31 December 2025, i.e. 141,195,600 shares, the cash dividend proposed to be distributed totals RMB22,591,296 (tax inclusive). This proposed dividend is subject to the approval of the general meeting of the Company.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/effective date deferred indefinitely

The Group is in the process of making an assessment of what the impact of these amendments, new standards, and interpretations in the period of initial application. So far the Group has concluded that the adoption is unlikely to have a significant impact on the consolidated financial statements.

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

"Annual General Meeting"	the forthcoming 2025 annual general meeting of the Company
"Articles of Association"	the articles of association of the Company currently in force
"Audit Committee"	the audit committee of our Board
"Board"	the Board of Directors
"CAGR"	Compound Annual Growth Rate
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"PRC" or "The People's Republic of China"	The People's Republic of China, for the purpose of this annual report and for geographical reference only and except where the context requires otherwise, references in this annual report to "China" or "PRC" do not include Hong Kong, Macau and Taiwan
"Company" or "our Company"	Zhongmiao Holdings (Qingdao) Co., Ltd. (眾淼控股(青島)股份有限公司)
"Corresponding Period"	12-month period from 1 January 2024 to 31 December 2024
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi, which are not listed on any stock exchange
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries
"GWP"	total premiums (whether or not earned) for insurance contracts written or assumed during a specific period, without deduction for premiums ceded
"Haier Finance Company"	Haier Group Finance Co., Ltd. (海爾集團財務有限責任公司)
"Haier Group"	Haier Group Corporation (海爾集團公司)
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
"HK$" or "Hong Kong dollars" or "HK dollars"	the lawful currency of Hong Kong

DEFINITIONS

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Listing Date"	6 August 2024 (Tuesday), being the date of the listing of the H Shares on the Stock Exchange and on which the H Shares are permitted to be dealt on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Reporting Period" or "Year"	12-month period from 1 January 2025 to 31 December 2025
"Model Code"	pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules
"Prospectus"	Prospectus of the Company dated 29 July 2024
"Qingdao Haixinsheng"	Qingdao Haixinsheng Management Consulting Enterprise (Limited Partnership) (青島海欣盛管理諮詢企業(有限合夥))
"Qingdao Haizhongjie"	Qingdao Haizhongjie Management Consulting Enterprise (Limited Partnership) (青島海眾捷管理諮詢企業(有限合夥))
"RMB" or "Renminbi"	The lawful currency of the PRC
"R&D"	research and development
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
"Shanghai Zhaoqi"	Shanghai Zhaoqi Management Consulting Partnership (Limited Partnership) (上海曌奇管理諮詢合夥企業(有限合夥))
"Share(s)"	ordinary share(s) with nominal value RMB1.00 each in the share capital of our Company, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning as ascribed under the Listing Rules
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"%"	per cent