

15 Intangible assets (Continued)

The Group assesses at each reporting date whether there is an indication that intangible assets may be impaired. During the year ended December 31, 2023 and 2024, impairment charge of intangible assets excluding goodwill of RMB5,851,000 and RMB2,392,000 has been charged to different functional expenses based on usage of intangible assets by different functional divisions. The impairment charge was charged against development costs for certain intangible assets developed internally, following a decision to reduce the output of certain products in 2023 and 2024.

The Group assessed the necessity for goodwill impairment by conducting a thorough analysis of the current economic climate and market conditions in light of (i) the discontinuation of cloud services and its corresponding impact on the business and operations of the Group, (ii) the challenging macroenvironment of the industry that the Group operates in and the Group's expected growth, and (iii) the recent performance and expected growth of the various businesses of the Group. As at December 31, 2024, the carrying amount of the group of CGUs of Technology Solution segment exceeds its recoverable amount at RMB189,518,000 (Note 15(a)) including a loss attributable to the non-controlling interest's notional share of goodwill. The Group recognized an impairment loss against goodwill of RMB131,901,000 in other income, gain or loss – net in the consolidated statements of comprehensive income.

During the years ended December 31, 2023 and 2024, the amount of amortization charged to cost of revenue, research and development expenses and general and administrative expenses are as follows:

	Year ended December 31,	
	2023	2024
Amortization of intangible assets	RMB'000	RMB'000
	(Note 12)	
Continuing operations		
Cost of revenue	84,081	47,028
Research and development expenses	4,437	232
General and administrative expenses	3,228	482
	<u>91,746</u>	<u>47,742</u>
Discontinued operations	<u>34,687</u>	<u>6,255</u>
	<u>126,433</u>	<u>53,997</u>

15 Intangible assets (Continued)

(a) Impairment tests for goodwill

Goodwill arises from the Group's acquisitions of Vantage Point Technology on July 31, 2018, BER Technology on June 30, 2019, and View Foundation on August 30, 2019.

The goodwill of the Group is attributable to the acquired workforce and synergies expected to be derived from combining with the operations of the Group. During the years ended December 31, 2023 and 2024, the goodwill is regarded as attributable to the group of CGUs of Technology Solutions segment. The Group carries out its impairment testing on goodwill by comparing the recoverable amounts of groups of CGUs to their carrying amounts.

The management did the value-in-use calculations to determine the recoverable amounts. Value-in-use is calculated based on discounted cash flows. The discounted cash flows calculations of group of CGUs use cash flow projection developed based on financial budgets approved by management of the Group covering a five-year period, after considering the current and historical business performance, the future business plan and market data. Cash flows beyond the five-year period are extrapolated using the estimated long term growth rates stated below.

The significant assumptions used for value-in-use calculations are as follows:

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Revenue growth rate	-10%–13%	-25%–10%
Profit margin	-2%–14%	-2%–8%
Long term growth rate	2%	2%
Pre-tax discount rate	19.73%	21.54%
Recoverable amount of the group of CGUs exceeding/(below) its carrying amount (RMB'000)	1,153,821	(189,518)

15 Intangible assets (Continued)

(a) Impairment tests for goodwill (Continued)

The following table sets forth the impact of reasonable possible changes in absolute value in each of the significant assumptions, with all other variables held constant, of goodwill impairment testing at the dates indicated.

Possible changes of significant assumptions	Recoverable amount of the CGU exceeding/(below) its carrying amount (Note)	
	Year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Revenue growth rate decrease by 5%	597,067	(265,224)
Profit margin decrease by 1%	886,786	(296,597)
Long term growth rate decrease by 1%	1,039,101	(207,564)
Pre-tax discount rate increase by 1%	989,962	(230,342)

Note: The carrying amount of goodwill included the goodwill attributable to the non-controlling interest.

16 Investments accounted for using the equity method

(a) Investment in an associate

	For the year ended December 31, 2023 RMB'000
At beginning of year	199,200
Share of gains of an associate	7,157
Impairment charges on an associate	(7,157)
Disposal	(199,200)
At end of the year	-

Investment in an associate was nil since the end of the year 2023.

16 Investments accounted for using the equity method (Continued)**(a) Investment in an associate (Continued)**

On March 28, 2017, Shanghai OneConnect set up Pingan Puhui Lixin Asset Management Co., Ltd. ("Puhui Lixin") with Pingan Puhui Enterprise Management Co., Ltd. ("Puhui Management"), a subsidiary of Lufax, by investing a capital amount of RMB40,000,000. In January 2019, Shanghai OneConnect made an additional capital injection of RMB100,000,000 into Puhui Lixin. On February 20, 2020, Puhui Management made another additional capital injection of RMB40,000,000 into Puhui Lixin. Accordingly, the Group's equity interests in the investee were diluted from 35% to 31.82%, resulting in a dilution gain amounting to RMB2,511,000. In March 2020, Shanghai OneConnect made an additional capital injection of RMB60,000,000 into Puhui Lixin, and the Group's equity interests in the investee were increased to 40%.

On November 24, 2022, Shanghai OneConnect entered into the Equity Transfer Agreement with Puhui Management, pursuant to which Shanghai OneConnect conditionally agreed to sell, and Puhui Management conditionally agreed to purchase, the Group's 40% equity interest in Puhui Lixin at a consideration of RMB199,200,000. Upon the completion, Shanghai OneConnect will no longer hold any equity interest in Puhui Lixin. The transaction has been approved by the extraordinary general meeting and completed in 2023.

(b) Investment in a joint venture

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
At beginning of year	—	—
Additions	2,550	—
Share of losses of a joint venture	(2,550)	—
At end of the year	—	—

The Group entered into an agreement of setting up Financial Open Portal (Guangxi) Cross-border Financial Digital Co., Ltd. ("Open Portal Guangxi") with Digital Guangxi Group Co., Ltd. ("Digital Guangxi") on April 10, 2020. The Group made a capital injection of RMB2,040,000 in 2020 and additional capital injection of RMB2,550,000 in 2023. The Group and Digital Guangxi owned the equity interest in Open Portal Guangxi as to 51% and 49%, respectively. The Group shares control with Digital Guangxi and accounts for the investment as a joint venture. The decisions on major operational and financial activities require the unanimous consent of the Group and Digital Guangxi pursuant to the provisions of the article of association of Open Portal Guangxi. Open Portal Guangxi was deregistered on October 31, 2024.

17 Financial instruments by category

The Group holds the following financial instruments:

	Note	As at December 31,	
		2023	2024
		RMB'000	RMB'000
Financial assets			
Financial assets at amortized cost			
– Trade receivables	20	710,669	506,535
– Prepayments and other receivables (excluding non-financial asset items)	21	661,123	159,601
– Financial assets measured at amortized cost from virtual bank	22	3,081	–
– Restricted cash and time deposits over three months	24	452,883	51,940
– Cash and cash equivalents	25	1,379,473	1,947,922
Financial assets measured at fair value through other comprehensive income (FVOCI)	18	2,226,138	–
Financial assets at fair value through profit or loss (FVTPL)	23	925,204	455,016
Derivative financial asset			
– Held at FVTPL	33	38,008	40,356
Total		6,396,579	3,161,370
Financial liabilities			
Liabilities at amortized cost			
– Trade and other payables (excluding non-financial liability items)	29	1,318,449	695,059
– Short-term borrowings	30	251,732	19,160
– Customer deposits	31	2,261,214	–
– Other financial liabilities from virtual bank	32	54,373	–
Total		3,885,768	714,219

18 Financial assets measured at fair value through other comprehensive income

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Loans and advances to customers (Note a)	1,902,985	–
Equity securities (Note b)	3,204	–
Debt securities (Note a)	319,949	–
	<u>2,226,138</u>	<u>–</u>
Less: Non-current financial asset measured at fair value through other comprehensive income	(1,372,685)	–
	<u>853,453</u>	<u>–</u>

- (a) It represented loans and advances to customers and debt securities from virtual bank, which was disposed of as described in Note 12.
- (b) On August 4, 2016, the Group acquired 5% equity interest in Fujian Exchange Settlement Centre Co., Ltd. (福建交易場所清算中心股份有限公司) at a consideration of RMB5,000,000. The fair value change of the equity interest was recognized in other comprehensive income.

19 Leases

- (a) Amounts recognized in the consolidated balance sheets

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Right-of-use assets (Note 14)		
– Properties	<u>48,572</u>	<u>23,706</u>
Lease liabilities (Note 29)		
– Non-current	28,283	10,670
– Current	<u>22,941</u>	<u>13,735</u>
	<u>51,224</u>	<u>24,405</u>

19 Leases (Continued)**(a) Amounts recognized in the consolidated balance sheets (Continued)**

Additions to the right-of-use assets during the years ended December 31, 2023 and 2024 were RMB21,612,000 and RMB58,238,000, respectively.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2023 and 2024 was 4.26% and 4.29%.

(b) Amounts recognized in the consolidated statements of comprehensive income

	For the year ended December 31,	
	2023	2024
	RMB'000 (Note 12)	RMB'000
Depreciation charge of right-of-use assets (Note 14)		
– Continuing operations	39,904	32,666
– Discontinued operations	5,178	817
	<u>45,082</u>	<u>33,483</u>
Interest expenses (included in finance cost) (Note 10)		
– Continuing operations	3,005	1,930
– Discontinued operations	443	81
	<u>3,448</u>	<u>2,011</u>
Total	<u>48,530</u>	<u>35,494</u>

The total cash outflow for leases in 2023 and 2024 were RMB67,180,000 and RMB39,533,000, respectively.

Expenses recognized in relation to short-term leases for the years ended December 31, 2023 and 2024 amounted to RMB6,258,000, and RMB3,274,000, respectively.

20 Trade receivables

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Trade receivables	779,458	582,068
Less: impairment loss allowance (Note 5.1(b))	(68,789)	(75,533)
	<u>710,669</u>	<u>506,535</u>
Less: non-current trade receivables	—	(10,106)
	<u>710,669</u>	<u>496,429</u>

Trade receivables and their aging analysis, based on recognition date, are as follows:

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Up to 1 year	694,157	510,135
1 to 2 years	55,187	35,830
2 to 3 years	21,103	20,069
Above 3 years	9,011	16,034
	<u>779,458</u>	<u>582,068</u>

21 Prepayments and other receivables

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Deposit receivable *	625,371	127,732
Value-added-tax deductible	188,501	152,930
Advance to suppliers	49,492	29,055
Advance to staff	13,238	10,680
Others	41,471	35,090
Less: impairment loss allowance (Note a)	(5,719)	(6,760)
	912,354	348,727
Less: Non-current portion of other receivables	(6,663)	(6,506)
	905,691	342,221

* Deposit receivable mainly represents deposit paid to the Group's service vendors according to the contractual agreements and such receivables will contractually be repaid within one year.

(a) Movements in the impairment loss allowance of prepayments and other receivables are as follows:

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Beginning of the year	(7,276)	(5,719)
Reversals/(additions)	1,557	(1,041)
End of the Year	(5,719)	(6,760)

22 Financial assets measured at amortized cost from virtual bank

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Loans and advances to customers	3,142	—
Less: expected credit loss provision	(61)	—
	<u>3,081</u>	<u>—</u>

The balance represented loans and advances to customers from virtual bank, which was disposed of as described in Note 12.

23 Financial assets at fair value through profit or loss

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Wealth management products	<u>925,204</u>	<u>455,016</u>

As at December 31, 2023 and 2024, out of the wealth management products which the Group invested in, RMB532,147,000 and RMB260,860,000 were managed by subsidiaries of Ping An Group which are redeemable upon request by the holders, respectively (Note 38).

24 Restricted cash and time deposits over three months

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Restricted bank deposits	39,005	40,960
Accrued interests	446	442
Time deposits with initial terms over three months	413,432	10,538
	<u>452,883</u>	<u>51,940</u>
Less: Non-current restricted cash	<u>(5,319)</u>	<u>–</u>
	<u>447,564</u>	<u>51,940</u>

Restricted cash balances were those held in bank accounts subject to certain restriction according to agreement with certain parties and regulatory restrictions.

25 Cash and cash equivalents

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Cash on hand	12	12
Cash at central bank	134,486	—
Cash at banks	1,244,975	1,947,910
	<u>1,379,473</u>	<u>1,947,922</u>

	At December 31,	
	2023	2024
	RMB'000	RMB'000
USD	771,502	1,660,598
RMB	379,629	261,181
HKD	210,492	1,347
SGD	5,796	17,180
IDR	941	508
MYR	4	1,059
PHP	11,109	6,049
	<u>1,379,473</u>	<u>1,947,922</u>

26 Share capital

	Number of shares	USD
Authorized		
Ordinary shares of USD0.00001 at December 31, 2023 and 2024	5,000,000,000	50,000

	Number of shares	USD	Equivalent to RMB
Issued			
Ordinary shares of USD0.00001 at December 31, 2017	900,000,000	9,000	59,838
Newly issued ordinary shares (Note a)	99,999,999	1,000	6,331
Ordinary shares of USD0.00001 at December 31, 2018	999,999,999	10,000	66,169
Newly issued ordinary shares (Note b)	3,720,665	37	257
Newly issued ordinary shares upon initial public offering (Note c)	93,600,000	936	6,549
Ordinary shares of USD0.00001 at December 31, 2019	1,097,320,664	10,973	72,975
Newly issued ordinary shares (Note d)	72,660,000	727	5,033
Surrendered ordinary shares (Note e)	(3)	—	—
Ordinary shares of USD0.00001 at December 31, 2020	1,169,980,661	11,700	78,008
Surrendered ordinary shares (Note f)	(8)	—	—
Ordinary shares of USD0.00001 at December 31, 2021 and 2022 and 2023 and 2024	1,169,980,653	11,700	78,008

26 Share capital (Continued)

- (a) The Company completed its Round A investments ("Round A Investments") in April 2018 with 12 investors. 99,999,999 ordinary shares were issued to the Round A Investors at a price of USD7.5 per share for an aggregate consideration of approximately USD750 million (approximately RMB4,750,965,000). These shares rank pari passu in all respects with the shares then in issue.
- (b) On March 11, 2019, the Company issued 1,748,501 ordinary shares to National Dream Limited, the offshore entity of Vantage Point Technology, for a total subscription price of USD13,114,000 (approximately RMB88,030,000) pursuant to a share subscription agreement entered into in July 2018. On November 26, 2019, the Company issued 1,267,520 ordinary shares to Great Lakes Limited, the offshore entity of View Foundation's selling shareholder, for a total subscription price of USD9,506,400 (approximately RMB66,877,000) pursuant to a share subscription agreement entered into in August, 2019. On November 27, 2019, the Company issued 563,714 and 140,930 ordinary shares to Blossom View Limited and Gold Planning Limited, respectively, which are the offshore entities designated by certain selling shareholders of BER Technology, for a total subscription price of USD5,284,830 (approximately RMB37,175,000) pursuant to a share subscription agreement entered into in September, 2019.
- (c) On December 13, 2019, the Company completed its IPO on the New York Stock Exchange. In the offering, 31,200,000 ADSs, representing 93,600,000 ordinary shares, were newly issued.
- (d) On January 14, 2020, the over-allotment options for the IPO were partially exercised and an addition of 3,520,000 ADSs were newly issued, which represented 10,560,000 ordinary shares. On August 17, 2020, the Company completed its underwritten public offerings of 18,000,000 ADSs issued and 2,700,000 ADSs issued pursuant to the over-allotment options, which totally represented 62,100,000 ordinary shares.
- (e) On December 11, 2020 and December 24, 2020, the Company bought back and cancelled 3 ordinary shares from Round A Investors.
- (f) On April 1, 2021 and April 2, 2021, the Company bought back and cancelled 8 ordinary shares from Round A Investors.

27 Other reserves

	Recapitalization reserve RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Foreign currency translation differences RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2023	1,200,000	9,627,159	209,603	140,471	(224,161)	10,953,072
Other comprehensive income						
– Foreign currency translation differences	–	–	–	26,216	–	26,216
– Fair value changes on financial assets measured at fair value through other comprehensive income	–	–	–	–	500	500
Share-based payments						
– Value of employee services and business cooperation arrangements (Note 28)	–	–	14,497	–	–	14,497
Transactions with equity holders	–	–	–	–	–	–
– Transactions with non-controlling interests	–	–	–	–	(4,434)	(4,434)
As at December 31, 2023	<u>1,200,000</u>	<u>9,627,159</u>	<u>224,100</u>	<u>166,687</u>	<u>(228,095)</u>	<u>10,989,851</u>
Other comprehensive income						
– Foreign currency translation differences	–	–	–	29,111	–	29,111
– Fair value changes on debt instruments measured at fair value through other comprehensive income	–	–	–	–	6,056	6,056
– Fair value changes on equity instruments measured at fair value through other comprehensive income	–	–	–	–	(3,204)	(3,204)
– Disposal of subsidiaries	–	–	–	30,180	(11,943)	18,237
Share-based payments						
– Value of employee services and business cooperation arrangements (Note 28)	–	–	1,158	–	–	1,158
As at December 31, 2024	<u>1,200,000</u>	<u>9,627,159</u>	<u>225,258</u>	<u>225,978</u>	<u>(237,186)</u>	<u>11,041,209</u>

28 Share-based payments

For the purpose of establishing the Group's share incentive scheme, a special purpose vehicle was set up in 2017 to indirectly hold ordinary shares of the Company. As the Company has the power to govern the relevant activities of the special purpose vehicle and can derive benefits from the services to be rendered by the grantees, the directors of the Company consider that it is appropriate to consolidate the special purpose vehicle. In September 2020, the Company purchased at par value of the 66,171,600 ordinary shares indirectly held by the special purpose vehicle and deposited these shares to the depository of its ADS program. The aggregate consideration of RMB88,280,000 for 66,171,600 shares had been recognized as "shares held for share incentive scheme" before the respective shares were effectively transferred to grantees under share incentive scheme. This payment of RMB88,280,000 has been settled in December 2023.

On November 7, 2017, equity-settled share-based compensation plan ("the Share Option Scheme") was set up with the objective to recognize and reward the contribution of eligible directors, employees and other persons (collectively, the "Grantees") for the growth and developments of the Group. On September 10, 2019, the Board of Directors of the Company approved to amend and restate the equity-settled share-based compensation plan to supplement the Share Option Scheme with performance-based shares to grant to the Grantees ("the Restricted Share Units Scheme"). The 66,171,600 shares reserved for the share incentive scheme comprise the options previously granted under the Share Option Scheme and the remaining shares for grant under the Restricted Share Units Scheme. Both the Share Option Scheme and the Restricted Share Units Scheme are valid and effective for 10 years from the grant date. In 2022, the Company approved the increase of the number of ordinary shares available for award grant purpose under its share incentive scheme by 35,099,420. As such, the total number of ordinary shares which may be issued under the share incentive scheme is 101,271,020 shares.

In 2022, the Board of Directors of the Company approved a new share repurchase program in which the Company may purchase its own ADSs for award grant purpose. For the year ended December 31, 2022, the Company repurchased 8.02 million ADSs for a total cost of RMB74,992,000.

28 Share-based payments (Continued)

Share-based compensation expenses for the years ended December 31, 2023 and 2024 were allocated as follows:

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
	(Note 12)	
Continuing operations		
– Cost of revenue	3,184	87
– Research and development expenses	2,934	34
– Selling and marketing expenses	1,860	(31)
– General and administrative expenses	6,302	922
	14,280	1,012
Discontinued operations	217	146
	14,497	1,158
Continuing operations		
– Value of employee's services (Note 8)	10,954	490
– Value of non-employee's services	3,326	522
	14,280	1,012
Discontinued operations	217	146
	14,497	1,158

28 Share-based payments (Continued)

(a) Share Option Scheme

Subject to the Grantee continuing to be a service provider, 100% of these options will be vested over 4 years upon fulfilling the service conditions and performance conditions prescribed in the grantee agreement.

The exercisable period of options starts no earlier than 12 months after the Company successfully completes an initial public offering and the Company's shares get listed in the stock exchange ("IPO and Listing") and no later than 10 years from the grant date. The vesting date is determined by the Board of Directors of the Company.

Movements in the number of share options granted to employees are as follows:

	Number of share options For the year ended December 31,	
	2023	2024
At the beginning of the year	10,137,344	8,141,810
Exercised	—	—
Forfeited	(1,995,534)	(1,311,700)
At the end of the year	8,141,810	6,830,110

For the outstanding share options, the weighted-average exercise price was RMB18.02 and RMB29.99 per share and the weighted-average remaining contractual life was 4.22 and 4.16 years, respectively, as of December 31, 2023 and 2024, respectively.

Share options outstanding at the balance sheet dates have the following expiry dates and exercise prices.

Grant Year	Expiry Year	Exercise price	Fair value of options	Number of share options As at December 31,	
				2023	2024
2017	2027	RMB1.33	RMB0.62	944,490	831,690
2017	2027	RMB2.00	RMB0.52	4,576,500	4,139,400
2018	2028	RMB52.00	RMB26.00	2,068,320	1,418,520
2019	2029	RMB52.00	RMB23.42	552,500	440,500
				8,141,810	6,830,110

28 Share-based payments (Continued)**(a) Share Option Scheme (Continued)**

The Company have used the discounted cash flow method to determine the underlying equity fair value of the Company to determine the fair value of the underlying ordinary share before its IPO. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the Company with best estimate.

Based on fair value of the underlying ordinary share, the Company have used Binomial option-pricing model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	2017	2018	2019
Discount rate	24.0%	17.0%	17.0%
Risk-free interest rate	4.0%	4.0%	3.0%
Volatility	52.0%	51.0%	46.0%
Dividend yield	0.0%	0.0%	0.0%

The Binomial Model requires the input of highly subjective assumptions. The risk-free rate for periods within the contractual life of the option is based on the China Treasury yield curve in effect at the time of grant. The expected dividend yield was estimated based on the Company's expected dividend policy over the expected life of the options. The Company estimates the volatility of its ordinary shares at the respective dates of grant based on the historical volatility of similar U.S. public companies for a period equal to the expected life preceding the grant date.

(b) Restricted Share Units Scheme

Subject to the Grantee continuing to be a service provider, 100% of these restricted share units will be vested over 4 years upon fulfilling the service conditions and performance conditions prescribed in the grantee agreement.

Movements in the number of restricted share units granted to employees are as follows:

	Number of restricted share units For the year ended December 31,	
	2023	2024
At the beginning of the year	36,232,094	30,526,123
Granted	230,000	1,010,000
Vested	—	—
Forfeited	(5,935,971)	(8,406,986)
At the end of the year	30,526,123	23,129,137

28 Share-based payments (Continued)

(b) Restricted Share Units Scheme (Continued)

Restricted share units outstanding at the balance sheet dates have the following expiry dates and fair value prices.

Grant Year	Expiry Year	Fair value of restricted share units RMB	Number of restricted share units As at December 31,	
			2023	2024
09/10/2019	09/10/2029	35.22	158,807	158,807
01/01/2020	01/01/2030	16.18	11,502	11,502
04/01/2020	04/01/2030	16.98	42,505	42,505
07/01/2020	07/01/2030	38.67	1,500	1,500
06/01/2021	06/01/2031	13.69	155,040	125,030
06/01/2021	06/01/2031	14.31	7,500	7,500
06/01/2021	06/01/2031	14.93	112,500	37,500
07/01/2021	07/01/2031	15.16	99,001	99,001
09/01/2021	09/01/2031	5.53	3,335,253	2,721,253
10/01/2021	10/01/2031	5.25	70,001	67,501
10/01/2021	10/01/2031	4.68	3,444,091	3,239,591
01/02/2022	01/02/2032	2.40	103,397	96,421
01/02/2022	01/02/2032	2.41	1,740,001	1,740,001
01/02/2022	01/02/2032	3.29	462,265	432,265
01/02/2022	01/02/2032	2.64	365,760	165,760
04/02/2022	04/02/2032	1.78	130,000	40,000
07/02/2022	07/02/2032	2.72	40,000	25,000
10/02/2022	10/02/2032	0.98	80,000	80,000
12/16/2022	12/16/2032	0.81	19,977,000	12,965,500
01/02/2023	01/02/2033	0.71	190,000	62,500
12/16/2024	12/16/2034	0.39	—	760,000
12/16/2024	12/16/2034	0.44	—	250,000
			<u>30,526,123</u>	<u>23,129,137</u>

28 Share-based payments (Continued)**(b) Restricted Share Units Scheme (Continued)**

Based on fair value of the underlying ordinary share, the Company have used the Monte Carlo model to determine the fair value of the restricted share units as at the grant date. The model inputs for restricted share units granted during the year ended December 31, 2023 and 2024 included:

	2023	2024
Risk-free interest rate	2.0%~3.0%	1.0%~2.0%
Volatility	48.0%~49.0%	62.0%~64.0%
Dividend yield	0.0%	0.0%

The Monte Carlo model requires the input of highly subjective assumptions. The risk-free rate for periods within the contractual life of the restricted share units is based on the China Treasury Bond Yield Curve in effect at the time of grant. The expected dividend yield was estimated based on the Company's expected dividend policy over the expected life of the restricted share units. The Company estimates the volatility of its ordinary shares at the date of grant based on the historical volatility of similar US public companies for a period equal to the expected life preceding the grant date. The fair value is recognised as an expense over the relevant service period, which is the vesting period of the restricted share units.

(c) Share Repurchase

In 2022, the Board of Directors of the Company approved a new share repurchase program in which the Company may purchase its own ADSs for award grant purpose. For the year ended December 31, 2022, the Company repurchased 8.02 million ADSs as 24.07 million ordinary shares for a total cost of RMB74,992,000.

29 Trade and other payables

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Trade payables (i)		
Due to related parties (Note 37(d))	119,434	7,492
Due to third parties	127,125	83,194
	246,559	90,686
Other payables		
Redemption liability (ii, iii)	232,951	232,951
Accrued expenses	436,846	218,942
Security deposits	136,813	32,262
Lease liabilities (Note 19(a))	51,224	24,405
Income and other tax payables	45,057	21,605
Amounts due to related parties (Note 37(d))	744,604	234,828
Others	115,517	148,833
	2,009,571	1,004,512
Less: non – current portion		
Lease liabilities	(28,283)	(10,670)
	1,981,288	993,842

(i) As at December 31, 2023, and 2024, based on recognition date, the aging of the trade payables are mainly within 1 year.

(ii) According to the shareholders agreement of BER Technology, the non-controlling shareholders shall have the right to request the Group to purchase the remaining 20% equity interests in BER Technology in an agreed period from June 30, 2022 to December 31, 2022. The purchase price was determined based on the financial performance of BER Technology and a pre-determined formula that set out in the respective shareholders agreement. Accordingly, the redemption liability of approximately RMB44,105,000,000 was initially recognized by the Group upon completion of acquisition as at the present value of the estimated future cash outflows, and the same amount was debited to other reserve. On December 30, 2023, the Group entered into a share purchase agreement with non-controlling shareholders of BER Technology to acquire the remaining 20% equity interests of BER Technology after renegotiation. The Group acquired the remaining 20% equity interests of BER Technology for RMB15,000,000 and relevant redemption liability has been settled in 2023.

(iii) The Group wrote a put option on the equity in Vantage Point Technology pursuant to the relevant transaction documents entered into with certain non-controlling shareholders of Vantage Point Technology, which provides each of such non-controlling shareholders with the right to require the Group to purchase the equity interest subject to the terms and conditions of the put option. A financial liability (redemption liability) of RMB183,569,000 was initially recognized on the acquisition date to account for the put option and other reserve of the same amount were debited accordingly. As at December 31, 2024, the redemption liability of RMB232,951,000 was estimated based on the estimation of matters relating to the terms and conditions of the put option which is in the process of renegotiation as of the date of this report.

30 Short-term borrowings

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Unsecured	251,732	19,160

The weighted average interest rate of short-term borrowings based on nominal interest rate was 4.48% and 4.90% per annum as at December 31, 2023 and 2024.

The Group's borrowings were repayable within one year as at December 31, 2023, 2024.

31 Customer deposits

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Current and savings accounts	437,153	—
Fixed deposit	1,824,061	—
	2,261,214	—

It represented customer deposits held by virtual bank, which was disposed of as described in Note 12.

Notes to the consolidated financial statements

32 Other financial liabilities from virtual bank

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Repurchase agreements	54,373	—

It represented repurchase agreements of virtual bank, which was disposed of as described in Note 12.

33 Derivative financial assets

	As at December 31,			
	2023		2024	
	Nominal amount RMB'000	Fair value	Nominal amount RMB'000	Fair value
Foreign exchange swaps	5,666	388	—	—
Currency forwards	358,636	37,620	386,542	40,356
Derivative financial assets	364,302	38,008	386,542	40,356

34 Dividends

No dividends had been paid or declared by the Company during the years ended December 31, 2023 and 2024.

35 Deferred income tax**(a) Deferred tax assets**

The movements of deferred tax assets were as follows:

	Tax losses RMB'000	Accelerated amortization of intangible assets RMB'000	Others RMB'000	Total RMB'000
At December 31, 2023	582,625	157,912	52,265	792,802
Recognized in the profit or loss	(422,992)	(31,479)	(20,970)	(475,441)
At December 31, 2024	<u>159,633</u>	<u>126,433</u>	<u>31,295</u>	<u>317,361</u>

(b) Deferred tax liabilities

The movements of deferred tax liabilities were as follows:

	Intangible assets acquired through business combination RMB'000	Others RMB'000	Total RMB'000
At December 31, 2023	2,079	24,526	26,605
Recognized in the profit or loss	(2,079)	(20,970)	(23,049)
At December 31, 2024	<u>–</u>	<u>3,556</u>	<u>3,556</u>

35 Deferred income tax (Continued)**(c) Offsetting of deferred tax assets and deferred tax liabilities**

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Deferred tax assets	792,802	317,361
Set-off of deferred tax liabilities	(24,526)	(3,556)
	<u>768,276</u>	<u>313,805</u>

The deferred income tax for the year ended December 31, 2024 was mainly due to a reversal of deferred income tax assets. The Group considered that a reversal of deferred income tax assets in the amount of RMB454,471,000 for the year ended December 31, 2024 was appropriate, after taking into account (i) the discontinuation of cloud services and its corresponding impact on the business and operations of the Group, (ii) the challenging macroenvironment of the industry that the Group operates in and the Group's expected growth, and (iii) the recent performance and expected growth of the various businesses of the Group.

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Deferred tax liabilities	26,605	3,556
Set-off of deferred tax assets	(24,526)	(3,556)
	<u>2,079</u>	<u>—</u>

36 Cash flow information

(a) Cash used in operations

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Loss before income tax	(361,714)	(39,839)
Depreciation and amortization	201,341	106,898
Net impairment losses on financial and contract assets	53,950	42,111
Net impairment losses on intangible assets	5,851	134,293
Losses/(gains) on disposal of property and equipment and intangible asset	6,058	(3,485)
Share-based payments expenses (Note 28)	14,497	1,158
Net gain on derivatives (Note 9)	(30,592)	(25,598)
Net gain on financial assets at fair value through profit or loss (Note 9)	(20,007)	(14,140)
Share of gain of associate and joint venture (Note 16)	(4,607)	–
Impairment charges on associate (Note 16)	7,157	–
Gain on disposal of subsidiaries (Note 12)	–	(260,137)
Remeasurement of redemption liability (Note 9)	–	–
Finance costs	19,535	12,501
Interest from investing activities	(26,252)	(9,163)
Exchange losses (Note 9)	11,171	7,809
Changes in working capital:		
Trade receivables	185,745	178,963
Contract assets	29,276	27,362
Prepayments and other receivables	165,244	555,417
Trade and other payable	(817,507)	(785,342)
Contract liabilities	(30,938)	(27,242)
Customer deposits	332,031	149,339
Other financial liabilities from virtual bank	(34,954)	(54,373)
Financial assets measured at amortized cost from virtual bank	(3,098)	(723)
Financial assets measured at fair value through other comprehensive income from virtual bank	(294,583)	(206,249)
Payroll and welfare payables	(45,350)	(60,894)
	<u>(637,746)</u>	<u>(271,334)</u>

36 Cash flow information (Continued)**(b) Non-cash investing and financing activities**

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Acquisition of right-of-use properties by leasing (Note 14)	21,612	58,238

(c) Reconciliation of cash and liquid investments and gross debt

This section sets out an analysis of cash and liquid investments and gross debt as of December 31, 2023 and 2024 and the movements in cash and liquid investments and gross debt for the years ended December 31, 2023 and 2024.

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Restricted cash and time deposits over three months	447,564	51,940
Cash and cash equivalents	1,379,473	1,947,922
Financial assets at fair value through profit or loss	925,204	455,016
Lease liabilities (Note 19)	(51,224)	(24,405)
– due within one year	(22,941)	(13,735)
– due after one year	(28,283)	(10,670)
Borrowings – repayable within one year	(251,732)	(19,160)
	2,449,285	2,411,313
Cash and liquid investments	2,752,241	2,454,878
Gross debt – fixed interest rates	(302,956)	(43,565)
	2,449,285	2,411,313

36 Cash flow information (Continued)

(c) Reconciliation of cash and liquid investments and gross debt (Continued)

	Restricted cash (ii) RMB'000	Cash and cash equivalents RMB'000	Financial assets at fair value through profit or loss RMB'000	Liabilities from financing activities Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
As at January 1, 2023	343,814	1,907,776	690,627	(91,583)	(289,062)	2,561,572
Cash flows	77,533	(543,432)	214,570	60,922	49,403	(141,004)
Acquisition of right-of-use assets	–	–	–	(21,612)	–	(21,612)
Other Changes (i)	26,217	15,129	20,007	1,049	(12,073)	50,329
As at December 31, 2023	447,564	1,379,473	925,204	(51,224)	(251,732)	2,449,285
Cash flows	385,374	547,155	(484,327)	36,259	243,064	727,525
Acquisition of right-of-use assets	–	–	–	(58,238)	–	(58,238)
Other Changes (i)	(780,998)	21,294	14,139	48,798	(10,492)	(707,259)
As at December 31, 2024	51,940	1,947,922	455,016	(24,405)	(19,160)	2,411,313

- (i) Other changes include accrued interests, disposal, foreign currency translation differences and other non-cash movements.
- (ii) Cash flows include restricted cash and time deposits over three months movements recognized in cash flows generated from or used in operating activities and investing activities.

37 Related party transactions

The following significant transactions were carried out between the Group and its related parties during the years ended December 31, 2023 and 2024.

(a) Names and relationships with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group during the years ended December 31, 2023 and 2024.

Name of related parties	Relationship with the Group
Sen Rong Limited (i)	A shareholder that has significant influence over the Group
Rong Chang Limited (i)	A shareholder that has significant influence over the Group
Bo Yu Limited ("Bo Yu")	A shareholder that has significant influence over the Group
Ping An Group	Ultimate parent company of Bo Yu
Subsidiaries of Ping An Group (ii)	Controlled by Ping An Group
Open Portal Guangxi (Note 16(b))	Significant influenced by the Group

(i) Sen Rong Limited and Rong Chang Limited has entered into an acting-in-concert agreement in 2020 and an amended and restarted agreement in 2021. As a result, Rong Chang and Sen Rong as a concert group had significant influence over the Group.

(ii) Lufax became a subsidiary of Ping An Group on July 30, 2024 with its financial results consolidated into Ping An Group's financial statements. As a result, Lufax has become a related party of the Group since July 30, 2024.

(b) Key management personnel compensations

Key management includes directors (executive and non-executive) and senior officers. The compensations paid or payable by the Group to key management for employee services are shown below:

	For the year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Wages and salaries	20,806	22,353
Welfare and other benefits	654	1,147
Share-based payments	4,909	1,956
	<u>26,369</u>	<u>25,456</u>

37 Related party transactions (Continued)**(c) Significant transactions with related parties**

	For the year ended December 31,	
	2023 RMB'000	2024 RMB'000
Revenue		
Ping An Group and its subsidiaries	2,091,039	1,191,015
Purchase of services		
Ping An Group and its subsidiaries	1,423,367	789,275
Net (loss)/gain on disposal of property and equipment		
Ping An Group and its subsidiaries	(1,359)	2,382
Net gain from wealth management products consolidated by related parties		
Ping An Group and its subsidiaries	12,996	8,841
Net gain on derivatives		
Ping An Group and its subsidiaries	30,592	25,598
Interest income on bank deposits		
Ping An Group and its subsidiaries	17,637	15,061
Leasing payment		
Ping An Group and its subsidiaries	12,131	18,970

37 Related party transactions (Continued)

(d) Year end balances with related parties

	As at December 31,	
	2023 RMB'000	2024 RMB'000
Trade receivables		
Ping An Group and its subsidiaries (i)	299,098	179,019
Contract assets		
Ping An Group and its subsidiaries	7,538	11,582
Prepayment and other receivables		
Ping An Group and its subsidiaries	599,671	114,778
Financial assets at fair value through profit or loss		
Ping An Group and its subsidiaries	417,956	230,724
Cash and restricted cash and time deposits over three months		
Ping An Group and its subsidiaries	784,840	192,604
Trade and other payables		
Ping An Group and its subsidiaries (i)	864,038	242,320
Contract liabilities		
Ping An Group and its subsidiaries	25,550	13,271
Derivative financial assets		
Ping An Group and its subsidiaries	38,008	39,812

(i) The balances with related parties were unsecured, interest-free and repayable on demand.

38 The Group's maximum exposure to unconsolidated structured entities

The Group has determined that all of assets management products managed by the Group and its investments in wealth management products, which are not controlled by the Group, are unconsolidated structured entities.

The Group invests in wealth management products managed by related parties for treasury management purposes. The Group also managed some assets management fund products as fund manager to generate fees from managing assets on behalf of other investors, mainly Ping An Group and its subsidiaries. The assets management fund products are financed by capital contribution from investors.

The following table shows the Group's maximum exposure to the unconsolidated structured entities which represents the Group's maximum possible risk exposure that could occur as a result of the Group's arrangements with structured entities. The maximum exposure is contingent in nature and approximates the sum of direct investments made by the Group. The direct investments made by the Group are classified as FVPL.

The size of unconsolidated structured entities and the Group's funding and maximum exposure are shown below:

31 December 2023	Unconsolidated structured entities			Interest held by the Group
	Size	Carrying amount	The Group's maximum exposure	
	RMB'000	RMB'000	RMB'000	
Wealth management products managed by related parties	Note a	532,147	532,147	Investment income
Wealth management products managed by third parties	Note b	393,057	393,057	Investment income

31 December 2024	Unconsolidated structured entities			Interest held by the Group
	Size	Carrying amount	The Group's maximum exposure	
	RMB'000	RMB'000	RMB'000	
Wealth management products managed by related parties	Note a	260,860	260,860	Investment income
Wealth management products managed by third parties	Note b	194,156	194,156	Investment income

Note a: The wealth management products are sponsored by related financial institutions and the information related to size of these structured entities were not publicly available. The carrying amount is recorded in FVPL.

Note b: The wealth management product is sponsored by third party and the information related to size of the structured entity was not publicly available. The carrying amount is recorded in FVPL.

39 Contingencies

The Group did not have any material contingent liabilities as at December 31, 2023 and 2024.

40 Benefits and Interests of Directors

The remuneration of each director of the Company paid/payable by the Group for the years ended December 31, 2023 and 2024 are set out as follows:

Year ended December 31, 2023:

Name	Director's fee RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind RMB'000	Pension RMB'000	Bonuses RMB'000	Share-based payments RMB'000	Total RMB'000
Executive Directors:						
Rong Chen (a)	–	1,246	–	–	308	1,554
Chongfeng Shen (b)	–	3,135	56	2,415	1,300	6,906
Non-Executive Directors:						
Yaolin Zhang (c)	622	–	–	–	–	622
Tianruo Pu (d)	426	–	–	–	–	426
Wing Kin Anthony Chow (e)	531	–	–	–	–	531
Sin Yin Tan (f)	–	–	–	–	–	–
Wenwei Dou (g)	–	–	–	–	–	–
Min Zhu (h)	–	–	–	–	–	–
Wenjun Wang (i)	–	–	–	–	–	–
Ernest Ip (j)	1,030	–	–	–	–	1,030
Xin Fu (k)	–	–	–	–	–	–
Xiaotao Guo (l)	–	–	–	–	–	–
	<u>2,609</u>	<u>4,381</u>	<u>56</u>	<u>2,415</u>	<u>1,608</u>	<u>11,069</u>

40 Benefits and Interests of Directors (Continued)

Year ended December 31, 2024:

Name	Director's fee RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind RMB'000	Pension RMB'000	Bonuses RMB'000	Share-based payments RMB'000	Total RMB'000
Executive Directors:						
Chongfeng Shen (b)	-	4,583	9	126	598	5,316
Non-Executive Directors:						
Yaolin Zhang (c)	562	-	-	-	-	562
Tianruo Pu (d)	430	-	-	-	-	430
Wing Kin Anthony Chow (e)	539	-	-	-	-	539
Wenwei Dou (g)	-	-	-	-	-	-
Wenjun Wang (i)	-	-	-	-	-	-
Ernest Ip (j)	562	-	-	-	-	562
Xin Fu (k)	-	-	-	-	-	-
Xiaotao Guo (l)	-	-	-	-	-	-
	2,093	4,583	9	126	598	7,409

(a) Rong Chen was appointed as executive director of the Company on October 30, 2017 and resigned on November 2, 2023.

(b) Chongfeng Shen was appointed as executive director of the Company on October 22, 2021 and resigned on February 5, 2025.

(c) Yaolin Zhang was appointed as non-executive director of the Company on February 25, 2019.

(d) Tianruo Pu was appointed as non-executive director of the Company on September 27, 2019.

(e) Wing Kin Anthony Chow was appointed as non-executive director of the Company on October 1, 2020.

(f) Sin Yin Tan was appointed as non-executive director of the Company on October 30, 2017 and resigned on November 2, 2023.

(g) Wenwei Dou was appointed as non-executive director of the Company on October 30, 2017.

40 Benefits and Interests of Directors (Continued)

- (h) Min Zhu was appointed as non-executive director of the Company on January 31, 2018 and resigned on November 2, 2023.
- (i) Wenjun Wang was appointed as non-executive directors of the Company on November 18, 2021.
- (j) Ernest Ip was appointed as non-executive directors of the Company on November 18, 2021.
- (k) Xin Fu was appointed as non-executive director of the Company on November 10, 2022.
- (l) Xiaotao Guo was appointed as non-executive director of the Company on November 2, 2023.

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended December 31, 2023 and 2024.

No retirement or termination benefits have been paid to the Company's directors for the years ended December 31, 2023 and 2024.

There were no loans, quasi-loans or other dealings entered into by the Company in favor of directors, controlled body corporates by and connected entities with such directors for the years ended December 31, 2023 and 2024, respectively.

There were no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the years ended December 31, 2023 and 2024.

No consideration was provided to third parties for making available directors' services during the years ended December 31, 2023 and 2024.

No director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office during the years ended December 31, 2023 and 2024.

41 Restricted net assets

Relevant PRC laws and regulations permit payments of dividends by the subsidiaries, the VIEs and Subsidiaries of VIEs incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. In addition, each of the Company's subsidiaries, the VIEs and Subsidiaries of VIEs is required to annually appropriate 10% of net after-tax income to the statutory general reserve fund prior to payment of any dividends, unless such reserve funds have reached 50% of its respective registered capital. As a result of these and other restrictions under PRC laws and regulations, the subsidiaries and the Consolidated Affiliated Entities are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances of the Group's total consolidated net assets. As at December 31, 2024, the total restricted net assets of the Company's subsidiaries and the VIEs and Subsidiaries of VIEs incorporated in PRC and subjected to restriction amounted to approximately RMB6,339,009,000. Even though the Company currently does not require any such dividends, loans or advances from the PRC entities for working capital and other funding purposes, the Company may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to its shareholders. Except for the above, there is no other restriction on the use of proceeds generated by the Company's subsidiaries and the VIEs and Subsidiaries of VIEs to satisfy any obligations of the Company.

42 Parent company only condensed financial information

Parent Company only financial statements have been provided pursuant to the requirements of Securities and Exchange Commission Regulation S-X Rule 12-04(a), which require condensed financial information as to financial position, cash flows and results of operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented, as the restricted net assets of the Company's consolidated subsidiaries, including VIEs, as of December 31, 2024 exceeded the 25% threshold, using the same accounting policies as set out in the Group's consolidated financial statements, except that the Company uses the equity method to account for investments in its subsidiaries and VIEs. Certain information and footnote disclosures generally included in financial statements prepared in accordance with IFRSs have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-purpose financial statements of the reporting entity and should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments or guarantees as at December 31, 2024. The subsidiaries did not pay any dividend to the Company for the years presented.

42 Parent company only condensed financial information (Continued)**(a) Condensed Statement of Comprehensive Income**

	Year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Selling and marketing expenses	(90)	(92)
General and administrative expenses	(32,965)	(23,419)
Net impairment losses on amount due from subsidiaries	(281,288)	(555,517)
Other income, gains or loss-net	(457)	—
Operating loss	(314,800)	(579,028)
Finance income – net	196	412
Gain on disposal of subsidiaries	—	260,137
Share of losses of subsidiaries and VIEs	(48,111)	(141,198)
Loss before income tax	(362,715)	(459,677)
Income tax expenses	—	—
Loss for the year	(362,715)	(459,677)
Other comprehensive income/(loss), net of tax		
Items that may be subsequently reclassified to profit or loss		
– Foreign currency translation differences	3,880	27,655
– Changes in the fair value of debt instruments measured at fair value through other comprehensive income	500	(5,887)
Items that will not be subsequently reclassified to profit or loss		
– Foreign currency translation differences	22,336	31,636
– Changes in the fair value of equity instruments measured at fair value through other comprehensive income	—	(3,204)
Other comprehensive income	26,716	50,200
Total comprehensive loss	(335,999)	(409,477)

42 Parent company only condensed financial information (Continued)

(b) Condensed Balance Sheet

		As at December 31,	
	Note	2023 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Interest in subsidiaries	42(d)	2,181,554	1,492,100
Total non-current assets		<u>2,181,554</u>	<u>1,492,100</u>
Current assets			
Amount due from subsidiaries	42(d)	803,173	1,075,885
Prepayments and other receivables		435	1,059
Cash and cash equivalents		<u>3,267</u>	<u>6,706</u>
Total current assets		<u>806,875</u>	<u>1,083,650</u>
Total assets		<u>2,988,429</u>	<u>2,575,750</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	26	78	78
Shares held for share incentive scheme	28	(149,544)	(149,544)
Reserves	27	10,989,851	11,041,209
Accumulated loss		<u>(7,873,614)</u>	<u>(8,333,291)</u>
Total equity		<u>2,966,771</u>	<u>2,558,452</u>
Liabilities			
Current liabilities			
Trade and other payables		<u>21,658</u>	<u>17,298</u>
Total current liabilities		<u>21,658</u>	<u>17,298</u>
Total liabilities		<u>21,658</u>	<u>17,298</u>
Total equity and liabilities		<u>2,988,429</u>	<u>2,575,750</u>

42 Parent company only condensed financial information (Continued)**(c) Condensed Statement of Cash Flows**

	Year ended December 31,	
	2023	2024
	RMB'000	RMB'000
Cash flows from operating activities		
Cash used in operations	(44,284)	(31,326)
Net cash used in operating activities	(44,284)	(31,326)
Cash flows from investing activities		
Payments for interest in subsidiaries, net of cash acquired	(1,117,823)	—
Proceeds from disposal of subsidiaries	—	839,087
Proceeds/(Payments) from loan to subsidiaries	1,157,947	(804,360)
Net cash generated from investing activities	40,124	34,727
Net (decrease)/increase in cash and cash equivalents	(4,160)	3,401
Cash and cash equivalents at the beginning of the year	7,327	3,267
Effects of exchange rate changes on cash and cash equivalents	100	38
Cash and cash equivalents at the end of year	3,267	6,706

42 Parent company only condensed financial information (Continued)**(d) Interest in subsidiaries and amount due from subsidiaries**

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Interest in subsidiaries		
Equity investment in subsidiaries	<u>2,181,554</u>	<u>1,492,100</u>

	As at December 31,	
	2023	2024
	RMB'000	RMB'000
Amount due from subsidiaries		
Loan receivables	<u>803,173</u>	<u>1,075,885</u>

43 Subsequent events

There were no material subsequent events during the period from January 1, 2025 to the date of approval of the consolidated financial statements by the Board on April 24, 2025.

Financial Summary

Results⁽¹⁾

	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2,248,103	3,521,591	4,357,462	4,098,037	3,309,113
Cost of revenue	(1,443,606)	(2,195,574)	(2,775,354)	(2,658,655)	(2,092,671)
Gross profit	804,497	1,326,017	1,582,108	1,439,382	1,216,442
Research and development expenses	(510,898)	(955,201)	(1,399,415)	(1,319,826)	(1,145,895)
Selling and marketing expenses	(177,285)	(241,612)	(369,948)	(550,338)	(610,866)
General and administrative expenses	(305,110)	(375,128)	(710,165)	(741,889)	(728,626)
Net impairment losses on financial and contract assets	(31,255)	(40,544)	(23,023)	(70,979)	(133,807)
Other income, gains or loss – net	(83,482)	69,183	71,362	13,830	50,992
Finance income/(costs) – net	54,195	9,494	(22,110)	(47,504)	(72,580)
Share of gains/(losses) of associate and joint venture – net	–	4,607	24,852	9,946	(7,802)
Impairment charges on associate	–	(7,157)	(10,998)	–	–
Loss before income tax	(249,338)	(210,341)	(857,337)	(1,267,378)	(1,432,142)
Income tax (expense)/benefit	(455,368)	(9,762)	62,147	112,095	137,131
Loss for the year from continuing operation	(704,706)	(220,103)	(795,190)	(1,155,283)	(1,295,011)
Discontinued operation					
Profit/(Loss) from discontinued operation	209,499	(151,373)	(132,836)	(175,230)	(119,112)
Loss for the year	(495,207)	(371,476)	(928,026)	(1,330,513)	(1,414,123)

Note:

- (1) On April 2, 2024, the Company completed the disposal of its virtual bank business to Lufax Holding Ltd for a consideration of HK\$933 million in cash. For details, please refer to the announcement published by the Company on November 14, 2023, the circular published by the Company on December 5, 2023, and the announcements published by the Company on January 16, April 2 and April 17, 2024. As a result of the disposal, the historical financial results of the virtual banking business segment have been reflected as the "discontinued operations" in the Company's consolidated financial statements and the historical financial results of the remaining business of the Company have been reflected as the "continuing operations" in the Company's consolidated financial statements for the year ended December 31, 2024, and the comparative financial results have been restated accordingly.

Assets and Liabilities

	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	3,967,252	8,068,358	8,882,382	9,340,607	10,885,258
Total liabilities	1,463,309	5,120,566	5,604,327	5,505,525	5,599,975
Total equity	2,503,943	2,947,792	3,278,055	3,835,082	5,285,283



OneConnect Financial
Technology Co., Ltd.

專業，科技創造價值

TECHNOLOGY CREATES VALUE THROUGH EXPERTISE

OneConnect's

2024 Environmental, Social and Governance Report





About This Report

Report Overview

This report is the third Environmental, Social, and Governance (hereinafter referred to as "ESG") report published by OneConnect Financial Technology Co., Ltd. (hereinafter referred to as "OneConnect", "we", "the company", or "our company"). The report covers OneConnect's philosophy, policies, initiatives, practices, and key performance in ESG management during the 2024 fiscal year.

Scope of the Report

Time scope: The content of this report primarily covers the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as "the reporting period" or "this year"). To enhance the comparability and completeness of the report, certain content appropriately extends to previous years.

Organizational scope: This report encompasses all activities consolidated for financial reporting purposes by OneConnect Financial Technology Co., Ltd.

Reporting Guideline

This report is prepared in accordance with the *Appendix C2 Environmental, Social and Governance Reporting Code* (as of December 31, 2024) (hereinafter referred to as the "ESG Reporting Code") of the *Main Board Listing Rules* issued by the Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "HKEX"), and also refers to the *Consultation Paper on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework* (hereinafter referred to as the "Consultation Paper") issued by the HKEX, Global Reporting Initiative ("GRI") Sustainability Reporting Standards (2021) (hereinafter referred to as "GRI Standards"), and the United Nations Sustainable Development Goals ("UN SDGs"). For viewers' quick reference, and index of the ESG Reporting Code Key Performance Indicators (KPIs) and GRI Standards indicators is detailed in the Appendix.

Reporting Principles

Materiality: OneConnect identifies and prioritizes its material topics by assessing the importance of applicable topics to the company's development and stakeholders, as detailed in the "Identification of Material Topics" section of this report.

Quantitative: The application of the quantitative principle is mainly reflected in the calculation and disclosure of the company's key performance indicators for environmental and social aspects, as detailed in the Appendix "Table of Key Performance Indicators".

Balance: To comprehensively reflect the company's sustainable development practices to stakeholders, the company discloses its work objectively and completely in environmental, social, and governance aspects, presenting fairly both positive information and adverse impacts.

Consistency: We comply with the disclosure requirements of HKEX, and conduct data statistics and disclosure according to widely accepted methodologies with reference to international mainstream information disclosure standards. The same data collection methods will be used in future years, any changes will be disclosed to ensure comparability between different annual data.

Data Explanation

The data used in this report comes from internal statistics of OneConnect, publicly disclosed information or reports, as well as as reports and data from third-party independent institutions. Unless otherwise specified, all currency types and amounts mentioned in this report are denominated in Renminbi ("RMB"). OneConnect ensures that there are no false records, misleading statements, or material omissions in the content of this report.

Publication Format

This report is published annually and the electronic version can be accessed and downloaded from the Investor Relations of OneConnect at <https://irhk.ocft.com/>.

Feedback

For any inquiries or suggestions regarding the content of this report, please contact us at:

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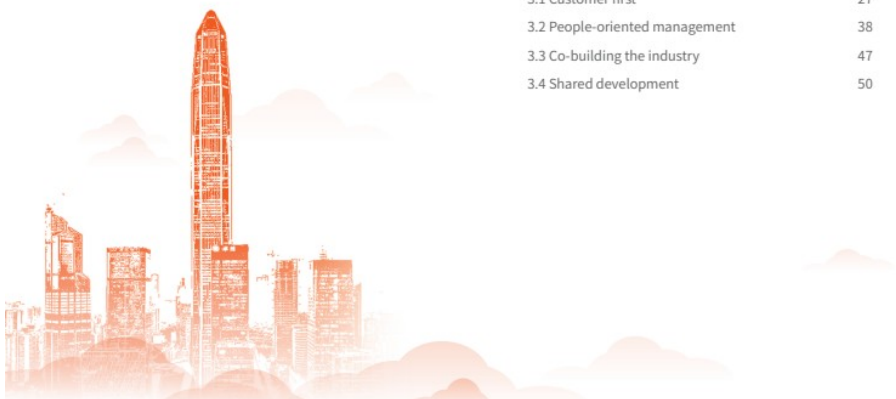
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Board Statement

The Board of Directors ("the Board") of our company holds the highest decision-making authority regarding the company's ESG strategy. It reviews and revises the company's ESG management policies and strategies, ensuring that ESG principles are integrated into its development strategy. The Board is responsible for setting ESG-related objectives, regularly reviewing progress toward these objectives, evaluating the company's significant ESG risks and opportunities, and ensuring the establishment of appropriate and effective ESG risk management policies and systems. The Board holds overall responsibility for the disclosure of the annual ESG report. It reviews the ESG report annually, assesses the company's significant ESG risks and opportunities, identifies annual material topics, and reviews the progress toward ESG goals. The Board has full oversight over ESG matters, ensuring comprehensive supervision and guidance for ESG-related work.

The company has established an ESG Oversight Committee, which

regularly and comprehensively identifies and assesses significant ESG topics, forming a materiality matrix. The committee reviews the company's annual ESG management performance, evaluates it in conjunction with the ESG objectives set by the Board, prepares the company's annual ESG report, and makes reporting to the Board.

This report provides detailed disclosures on the company's annual ESG progress and achievements for 2024 and was reviewed and approved by the Board on March 18, 2025. The Board and all directors of the company are committed to ensuring that the report's content is truthful, accurate, and complete and does not contain any false statements, misleading representations, or material omissions.

In the future, the Board will continue to refine the company's ESG management strategies and methods based on stakeholder expectations and operational realities, continuously improving the company's ESG management level and performance.





Chairman's Message

As the global political and economic landscape undergoes significant changes, and technological innovation advances rapidly, industries across the board are accelerating their digital transformation driven by the development of new quality productive forces. The FinTech industry is facing unprecedented opportunities and challenges. As a commercial technology service provider dedicated to promoting the digital transformation of the financial industry, OneConnect adheres to the principle of empowering finance with technology and driving development through innovation. We actively respond to industry changes, build an innovative engine for the development of new quality productive forces in the financial sector, accelerate the digital transformation of the sector, and help the sector achieve high-quality development.

In 2024, OneConnect focused on developing four key products: "Retail + Credit + Property Insurance + Life Insurance", applying five core technologies—artificial intelligence ("AI"), blockchain, financial cloud, big data, and information security—to provide financial institutions with comprehensive "Technology + Business" empowerment. This approach enhanced efficiency and service quality while reducing risks and costs for financial institutions. The company focused on customer management, product empowerment, and channel management, continuously enhancing the quality and efficiency of retail operations for financial institutions such as banks. It strengthened its AI-driven capabilities in loan business, data collection, and credit systems, enabling one-stop digital and intelligent credit upgrades for financial institutions. For auto insurance, the company has offered a comprehensive end-to-end solution covering claims, underwriting, and services. In the non-auto insurance sector, it has introduced a next-generation core system to drive full-scale digital transformation. Additionally, by integrating a unified digital channel platform, OneConnect has empowered life insurance

companies to streamline operations, reduce costs, improve efficiency, and empower performance management. The company's products and services have covered more than 20 countries and regions and 197 overseas financial institutions, continuously expanding the company's overseas footprint with a dual-drive approach to technology and business.

OneConnect has deeply recognized that ESG is not only a reflection of traditional corporate social responsibility but also a core philosophy driving long-term value growth. In 2024, the company was successfully included in the "Forbes China Top 10 FinTech Enterprises for ESG Practice" and the KPMG China "ESG 50 List • Corporate Governance Pioneers", reflecting the company's outstanding performance in the ESG field.

Environmentally, the company responds to HKEX's enhanced climate-related disclosure requirements by proactively identifying and assessing climate-related risks and opportunities, mitigating and adapting to the impacts of climate change. The company is committed to achieving carbon neutrality in operations by 2030. The company has taken practical actions to reduce the negative impact of corporate activities on the natural environment through initiatives such as creating green workplaces, conserving resources, promoting reuse, and optimizing waste disposal.

Socially, the company always prioritizes customer needs, continuously improving customer service and quality assurance systems, and enhancing data security and privacy protection. It places great emphasis on employee development and well-being, providing ample career development opportunities and a favorable working environment. As a leading FinTech company, the company is committed to fostering exchange and cooperation along the industrial chain, building a sustainable supply chain to improve the ESG performance of suppliers, and engag-

ing in deep dialog with ecosystem partners to jointly explore the future development of FinTech, thereby promoting the sustainable development of the industry. At the same time, the company steadfastly fulfills its social responsibilities, continuing to conduct public welfare activities and volunteer services, driving social development through innovative financial service models, and contributing to national rural revitalization strategies and the Belt and Road Initiative ("BRI").

In terms of governance, the company has enhanced its ESG governance framework, reviewing, auditing, and updating relevant compliance management systems and regulations. It has actively implemented internal ESG empowerment initiatives and strictly adhered to business ethics to ensure no corruption, bribery, unfair competition, or any behavior that disrupts financial order.

Looking ahead, OneConnect will strengthen the technological foundation and increase research and development in cutting-edge technologies, enriching financial scenario product and service innovations, and deepening the integration of ESG with business. The company will help drive the development of new quality productive forces and build a financial powerhouse. With technology as our vessel and responsibility as our sail, we will navigate the waves of next-generation technologies with steady progress and long-term vision, jointly promoting the high-quality development of the financial industry.

Chairman
Mr. Chen Dangyang

About OneConnect

Company Profile

OneConnect is a Technology-as-a-Service provider for financial institutions and a national high-tech enterprise. OneConnect is an associate of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as "Ping An", together with its subsidiaries, "Ping An Group"). By leveraging Ping An Group's over 30 years of extensive experience in financial services and research capabilities, OneConnect has established long-term cooperation with financial institutions to address their needs for digital transformation. The integrated solutions and platforms the company provides include Digital Banking, Digital Insurance, and Gamma Platform, which is a technology infrastructure platform for financial institutions. With our unique competence in "technology + business", we help our customers improve efficiency, enhance service quality, and reduce costs and risks, thereby enabling digital transformations for our customers.

OneConnect was listed on the New York Stock Exchange in December 2019 and listed on the HKEX in July 2022. Globally, we have nearly 1,899 employees and serve 20+ countries and regions and 197 overseas financial institutions.

OneConnect has world-leading technology capabilities for financial services, including artificial intelligence (AI), Big Data Analytics, Blockchain, and more. As of December 31, 2024, OneConnect has won 329 awards at home and abroad. The company has won the PBOC's Financial Technology Development Award (2021-2023) for three consecutive years, and has been ranked among IDC's list of Top 100 Global FinTech Companies for six consecutive years (rising to No. 59 in 2021) and listed in KPMG's "China's Top 50 FinTech Enterprises" for seven consecutive years (2018-2024). The company has won the prestigious Wu Wen Jun AI Science & Technology Award, 78 international professional awards, and has also been awarded the CMMI5 international certification.



Core Business

Digital Banking

The company's digital banking solutions, consisting of digital retail banking, digital credit management, and digital operation solutions, cater to the digital transformation needs of banking financial institutions. With a "business + technology" solution approach, the company helps banks drive business growth, reduce operational risks, and improve management efficiency, thus enabling high-quality development. By leveraging this comprehensive approach, banks can enhance their overall digital capabilities and provide exceptional services to their customers.

Digital Insurance

The company's digital insurance solutions help insurance companies digitalize the entire insurance process, including marketing, customer management, and claims handling, through digital property and life insurance. The company also provides a service management platform for insurance customers.

Gamma Platform

The company's Gamma Platform integrates a range of solutions widely applicable to the financial services industry, including AI customer service and technological infrastructure such as smart voice, open platform, and more.



Key Performance in 2024

Economic



Operating revenue

RMB **2.248** billion

Environmental



Greenhouse gas (GHG) emissions intensity

0.4 tons of CO₂e per person

Social



Proportion of female members of the senior management position

16 %

Customer phone call service satisfaction rate

100 %

Proportion of female employees in STEM-related positions

32 %

Number of suppliers subject to annual admission review

314

Number of newly granted patents

39

Number of major information security incidents

0

Governance



Proportion of independent directors

44.44 %

Number of business ethics violations

0

Employee business ethics training coverage rate

100 %

Supplier anti-corruption policy coverage rate

100 %

Honors and Awards

As of December 31, 2024, OneConnect has cumulatively been awarded 329 prestigious honors from globally recognized consulting firms, government agencies, academic conferences, and authoritative media organizations, earning widespread recognition in the market.

Key Performance



Award name	Awarding institution	Time of receiving the award
Annual "Five Priorities" Financial Development Innovation Award	Nanfang Media Group	December 2024
2024 "Technology and Finance Pioneer List" Innovative Case	Digital Finance Committee, Internet Society of China	December 2024
2024 "Financial Big Model Pioneer List" Innovative Case	Digital Finance Committee, Internet Society of China	December 2024
Second KPMG ESG 50 Awards	KPMG China	December 2024
5th Yangtze River Delta Financial Technology Innovation and Application Global Competition "2024 Financial Technology Leading Enterprise Award"	Yangtze River Delta Financial Technology Innovation and Application Global Competition Organizing Committee	December 2024
2024 First CCF China Digital Finance Conference "Best Case in Digital Finance Exploration and Innovation"	China Computer Federation Digital Finance	December 2024
2024 "Excellent Finance Award" Annual Technology and Financial Institution Financial Technology Development Award 2023	Jiemian News, Shanghai United Media Group	December 2024
2024 Banker Annual Financial Technology Product Innovation Excellent Case	The People's Bank of China	November 2024
2024 "Jin Xin Tong" Award for the Most Scalable and Beneficial Case of Financial Technology Innovation Applications	The Chinese Banker	November 2024
2024 "Jin Xin Tong" Award for the Most Scalable and Beneficial Case of Financial Technology Innovation Applications	China Academy of Information and Communications Technology	November 2024
The 4th NIFD-DCITS Financial Technology Innovation Case Database	FinTech Research Center, National Institution for Finance & Development	September 2024
2024 IDC China FinTech Emerging 50	IDC	August 2024
Top 50 Influential Financial Technology Enterprises	Forbes China	August 2024
Forbes China Top 10 FinTech Enterprises for ESG Practice	Forbes China	August 2024
"Excellent Risk Control and Compliance Solution" Award	Financial Professional Committee of the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation	May 2024
"Excellent Digital Marketing Solution" Award	Financial Professional Committee of the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation	May 2024
Top 50 Chinese Enterprises Providing the "Going Global" Services	Caillian Press & China Overseas Development Association	May 2024
2023 Financial Services Leading Platform	The Economic Observer	February 2024
"Top 50 Financial Technology"	Lingyi Think Tank	January 2024
"Top 30 Financial Information Technology Application Innovation"	Lingyi Think Tank	January 2024
"Excellent Industry Cloud Case" Award	China Academy of Information and Communications Technology	January 2024
Annual Best Development Institution Award	Dongshiju.com & DataTechnology.com.cn	January 2024

Feature

FinTech Creates New Quality
Productive Forces, Empowering
High-Quality Development



Ai

Feature:

FinTech Creates New Quality Productive Forces, Empowering High-Quality Development

New quality productive forces refer to productive forces driven by technological innovation. Such forces encourage the application of digital technologies such as big data, cloud computing, and AI to enable smarter production and operations. As a provider of commercial technology services for financial institutions, OneConnect, backed by over 30 years of rich experience in the financial industry and independent R&D capabilities from Ping An Group, has been committed to empowering the transformation and upgrading of the financial industry through technological innovation. Over time, the company has developed five core technologies: AI, blockchain, financial cloud, big data, and information security. With deep expertise in cutting-edge technologies such as AI and big data, OneConnect plays an increasingly important role in cultivating new quality productive forces within the financial industry.

Data Drives Decision-Making, and AI Applications Enhance Quality and Efficiency

In 2024, OneConnect launched the Open Data Platform V6.0. This platform, through upgrades to core product modules such as big data infrastructure, mobile integration, and intelligent operations, enhanced capabilities in data query, integration, and decision-making analysis. Additionally, it released the Data Development Sub-Platform and the Data Reporting Sub-Platform. The former improves data development efficiency and security through AI empowerment and visualization tools, while the latter focuses on data realization, needs, optimizing the reporting procedures and ensuring data accuracy and sharing efficiency. The Open Data Platform follows the guiding principles of "data standardization, data assetization, data service orientation, and data value realization", comprehensively supporting financial institutions and enterprises in accelerating digital transformation and strengthening their core market competitiveness.

Empowering Financial Institutions' Digital Transformation

01

Intelligent Customer Service Improves Bank Service Efficiency

In November 2024, OneConnect collaborated with Yibin City Commercial Bank to sign a project for building an intelligent customer service system. Leveraging leading AI technologies and resource advantages, OneConnect provided a solution for an intelligent customer service system that covers multiple channels, including phones, websites, Mobile Banking apps, and WeChat official accounts, establishing a 24/7 intelligent service system. The project provides dual empowerment of "business + products", offering intelligent outbound calls, procedural templates, and AI talent cultivation services, which effectively improve customer service efficiency, enhance the level of intelligence, reduce operational costs, and strengthen online service capabilities.

02

AI Empowerment Supports Bank Customer Management

In 2024, OneConnect, driven by AI technology, promoted the digital transformation of customer management and operations in the banking industry, achieving significant results. The "Employee E-Marketing-LITE Version" app, launched in the first half of the year, was specifically designed for small and medium-sized and joint-stock banks, focusing on key scenarios such as customer management, product operations, and team management. By enhancing the system's ability to self-close processes and standardize implementation and deployment, this platform achieved rapid launch with low costs and short cycles. It has already been deployed in several top-tier banks. At the same time, the service and sales robot solution uses precise analysis of customer profiles and behavior patterns to develop efficient service and sales strategies, integrating services and marketing deeply. According to data from a joint-stock bank, AI-driven sales have exceeded 60%, significantly improving the bank's service efficiency and market competitiveness.

Diverse Scenario Applications Drive the Development of "Five Priorities" of Finance

01

The Digital SME Credit System Enhances Financing Efficiency for Micro and Small Enterprises

OneConnect focuses on addressing the pain points in the development of inclusive finance and has launched the Digital SME Credit System to resolve the challenges of "difficult and expensive financing for small and micro enterprises" in traditional inclusive finance operations using technological means. The system leverages technologies such as AI-powered face-to-face review, Optical Character Recognition ("OCR"), and big data analytics to digitally transform entire credit procedures. This allows borrowers to easily apply for loans via mobile phones, with an average approval time reduction of over 30%, effectively improving the coverage and service efficiency of inclusive finance. Through this solution, OneConnect has successfully empowered financial institutions to remove the constraints of traditional business models, enhancing the accessibility and affordability of inclusive finance, helping to achieve the goals of "increased financing volume, expanded service scope, and reduced costs", and promoting the sustainable development of inclusive finance globally.

02

Smart Information Technology Application Innovation ("ITAI") Services Inject New Momentum into FinTech

OneConnect actively responds to the 14th Five-Year Plan by collaborating with ITAI vendors to promote the localization of core technologies. In a local financial regulatory authority's smart financial platform project, OneConnect successfully deployed an intelligent customer service module based on "AI + ITAI" technology, enabling AI marketing, after-sales follow-up, and other scenarios, significantly improving operational efficiency and service quality. OneConnect's smart voice system, leveraging Ping An Group's over 30 years of financial business experience, combined with large model technology and a localized platform, has successfully completed mutual certifications with many mainstream ITAI vendors, obtaining over 100 certifications and being included in the national ITAI catalog. Moving forward, OneConnect will continue to strengthen product performance and compatibility, promote technological innovation in financial services, and support the thriving development of the digital economy and new quality productive forces.

04

Dual Drivers of Data and Intelligent Risk Control Help the Industry Build New Quality Financial Productive Forces

In 2024, Gamma Platform, driven by the dual drivers of data and intelligent risk control, fully empowered the digital transformation of financial institutions and aided the industry in building "new quality financial productive forces", achieving remarkable results. In the data domain, the platform offers full-process data management and full-chain data governance capabilities through the Data-as-a-Service ("DAAS") open data platform for financial institutions. In intelligent risk control, the intelligent face-to-face review solution launched by Gamma Platform uses technologies such as facial recognition, liveness detection, voice recognition, and graph computation to effectively combat deep forgery fraud. This helped an institution achieve automatic loan issuance exceeding RMB1.2 billion, intercepting loan frauds worth over RMB1 million, significantly reducing costs, and improving efficiency.

03

Technological Innovation Empowers the Development of Digital Finance

OneConnect, in collaboration with the Bank of Changsha, is advancing the upgrade of the Corporate e-Bank Project to support the digitization of corporate business operations. Through advanced technological solutions, OneConnect provides intelligent support, optimizing business processing efficiency and enhancing customer service experience. At the same time, OneConnect supports the creation of the "Finance + Lifestyle" ecosystem on the Fulshe Platform, boosting the growth of retail customer assets under management ("AUM"). This partnership has helped the Bank of Changsha achieve a comprehensive digital transformation of its business, particularly in areas such as the digitization of corporate business, customer points and rights management, and local life service platforms, fully demonstrating OneConnect's technological advantages and service capabilities in the field of digital finance.

01

Sustainability Governance



ESG governance system 1.1

OneConnect fully understands the importance of ESG to the long-term and steady development of the company. Therefore, the company has proactively taken sustainable development actions and integrated these philosophies into its corporate strategy. The company has established a clear, efficient ESG governance structure to ensure that responsibilities at all levels are well-defined. By aligning with actual business operations, the company has strengthened ESG management in a more scientific, professional, and systematic manner.

The company's Board of Directors assumes full responsibility for ESG-related matters and holds the ultimate decision-making authority. The Board is responsible for the holistic oversight of ESG matters,

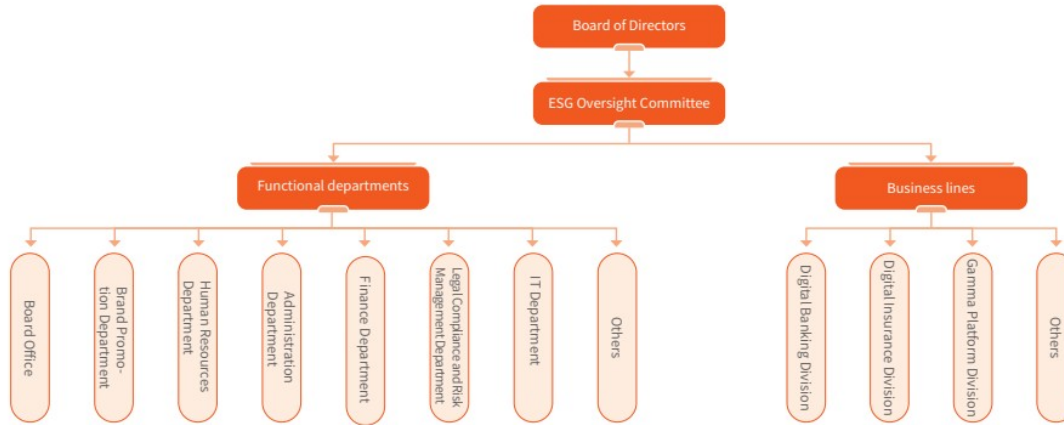
including setting targets, formulating policies and checking target completion progress.

An ESG Oversight Committee is established within the company's management layer, consisting of the Chief Executive Officer, heads of relevant functional departments, and other key management representatives. This committee is responsible for coordinating the advancement of ESG-related matters within the company, including comprehensively identifying, assessing, and managing significant ESG-related matters, regularly reviewing the practical progress of ESG goals set by the Board, organizing the preparation of the annual ESG report to present to the Board, and continuously improving and

standardizing the management of ESG matters and risks, guiding and urging each functional department and business line to carry out and implement specific tasks.

Each functional department and business line plays its role to the fullest, actively implementing ESG-related initiatives and promptly reporting ESG-related performance to the management to ensure the ESG Oversight Committee is informed of the execution and progress towards ESG management goals. In addition, the company employs external experts to provide advice and guidance on internal ESG matters and risk management, as well as the annual reporting process.

OneConnect ESG Governance Structure



Stakeholder engagement 1.2

As a group of people who are closely associated with the sustainable development of our company, stakeholders play a significant role in the decision-making process. OneConnect fully respects and safeguards the legitimate rights and interests of all stakeholders and values their expectations and demands. OneConnect proactively builds diversified communication channels and mechanisms. Through sustainable development disclosures and effective communication mechanisms, the company has responded to stakeholders' expectations.

We value our relationships with stakeholders by complying with regulations, providing professional services for customers, creating outstanding returns for shareholders, offering growth opportunities to employees, growing together with partners, and actively undertaking social responsibilities. We aim to establish harmonious and trust-based relationships with stakeholders.



Stakeholders	Topics of concern	Communication channels
Government and regulators	Empowering inclusive finance Operation compliance Tax transparency Financial infrastructure development	<ul style="list-style-type: none"> • Communication meetings with government officials • Public disclosure of information • Regulatory communication and material submission
Shareholders/Investors	Solid performance FinTech innovation Risk management Corporate governance	<ul style="list-style-type: none"> • Periodic reports and daily announcements • General shareholders' meeting • Presentation of performance • Investor surveys • Official website of the company
Customers	High-quality products Customer service Information security and privacy protection Protection of intellectual property rights	<ul style="list-style-type: none"> • Bid proposals and project meetings • 400 telephone system • Complaints handling • Service quality control system • Customer satisfaction survey • After-sales service follow-up
Employees	Diversity and equal opportunities Employee benefits and rights Employee training and development Occupational health and safety Labor rights	<ul style="list-style-type: none"> • Talent recruitment channels • Training system and policy communication • Internal meetings and communication • Corporate culture activities • Employee satisfaction survey
Suppliers and partners	Supply chain management Business ethics Anti-unfair competition Protection of intellectual property rights	<ul style="list-style-type: none"> • Supplier conference • Supplier management information system • Communication and training on the supplier management system • Exchange visits of the management • Cooperative development projects
Communities	Community environment Community contributions	<ul style="list-style-type: none"> • Green operations • Charitable activities
Media/Social groups, and other stakeholders	Construction of financial infrastructure Facilitating industry transformation and development Empowering industry green development Empowering inclusive finance	<ul style="list-style-type: none"> • Brochures, official website and media coverage • Press conference, forum, and social events • Company visits and interviews

► Identification of material topics 1.3

OneConnect places high importance on the identification and management of ESG topics, conducting an analysis of material topics annually. The company considers the expectations and demands of stakeholders as crucial factors in formulating its ESG strategy. Regular communications with stakeholders are conducted to understand and collect their views and feedback. In 2024, OneConnect has identified 25 material topics by referring to the HKEX's *ESG Reporting Code*, GRI Standards, Sustainability Accounting Standards Board's ("SASB") Standards, and other industry standards related to the company's business, and incorporating capital market concerns, peer practices, and regulatory requirements. By considering the importance of each topic to stakeholders, as well as assessing the significance of each topic to the company's development, OneConnect ranked the materiality of relevant topics and formed a materiality matrix which was reviewed and confirmed by the company's Board of Directors.

OneConnect ESG Materiality Matrix



▶ Promoting to achieve UN SDGs 1.4



Actions of OneConnect

The company actively participated in the Ping An Guardian Initiative "Love in Action" volunteer campaign, launching the "Pass Love On - Giving New Meaning to the Old" donation drive in its Shanghai and Shenzhen offices. Employees were encouraged to donate unused items such as storybooks and toys to support children in underprivileged rural areas. All donated materials were successfully delivered to the Daliang Mountains in Sichuan, spreading love and warmth.



Actions of OneConnect

The company standardizes the management of the whole process of recruitment before, during and after, does not treat candidates differently due to gender differences, ensures that the recruitment and promotion process is fair and non-discriminatory, and safeguards the legitimate rights and interests of female employees.



Actions of OneConnect

The company attaches great importance to the physical and mental health and safety of its employees, and builds an all-round health protection system, providing employees with a full range of health protection such as annual health checkups, mental health counseling, infirmary consultation, cooling and heating benefits, and offering employees supplementary comprehensive welfare protection plans such as accidental, life and medical insurance.



Actions of OneConnect

The company advocates energy conservation, emissions reduction, and the prevention of waste, and calls on all employees to develop the habit of saving water, electricity, paper and meals in their daily work and life, and to become practitioners of energy conservation and emission reduction.



Actions of OneConnect

The company advocated and organized the "Love and Technology Growing Together" public welfare walk, calling on participants to pay attention to the education and growth of rural children. The funds will be used to support and nurture children's charitable projects, supporting children aged 0-18 to grow up healthy mentally and physically and to develop equally.



Actions of OneConnect

The company creates a large number of high-quality jobs, provides employees with rich training opportunities and a sound promotion mechanism to ensure that every employee has the opportunity to grow and develop, while upholding the commitment to protect the rights and interests of employees and caring for their well-being.

Promoting to achieve UN SDGs 1.4



Actions of OneConnect

Based on the accumulated advantages of top technologies in financial business scenarios, the company actively builds digital ecosystems, works with the government to create a series of financial "new infrastructure" projects, improves the level of data infrastructure construction, promotes data sharing, and empowers the transformation and development of financial institutions.



Actions of OneConnect

Concerned about the environmental, economic and social impacts of climate change, the company attaches great importance to the governance of climate-related risks and opportunities, formulates the plans to identify and evaluate climate-related risks and opportunities, and takes strong measures to support the Group's green development. The company actively responded to the "Earth Hour" public welfare event initiated by the World Wide Fund for Nature (WWF), and specially organized a public welfare convocation called "One Action to Protect the Earth".



Actions of OneConnect

The company insists on treating all employees equally, commits to realizing equality and fairness in the workplace, resolutely avoids treating employees differently due to other non-work factors and other differences, and creates an equal, non-discriminatory, and inclusive workplace environment for employees.



Actions of OneConnect

The company strictly complies with laws and regulations, strives to create a clean and transparent business environment, regulates the business conduct of all directors and employees, strengthens the company's anti-monopoly and anti-unfair competition assessment, and prohibits the use of child labor and forced labor. In terms of supplier conduct, suppliers are required to sign an Anti-Corruption Compliance Commitment Letter and actively undertake and practice corporate social responsibility. OneConnect also conducts related advocacy and training for suppliers.



Actions of OneConnect

The company advocates a low-carbon and environmentally-friendly consumption philosophy and actively reduces the environmental impact of its operations through energy-saving renovation, advocating energy conservation and emission reduction by employees, and strengthening waste management. In terms of internal supplier management standards, the company has targeted the inclusion of sustainable development requirements, focusing on the performance of suppliers in environmental protection, employee rights and risk management, and other ESG topics.



Actions of OneConnect

The company fully respects and safeguards the legitimate rights and interests of stakeholders, and attaches importance to the expectations and demands of stakeholders. It actively builds diversified communication channels and mechanisms, incorporates the expectations of stakeholders into the company's sustainability governance and information disclosure, maintains effective communication and establishes a relationship of trust with stakeholders. In addition, the company actively undertakes corporate social responsibility, and strives to achieve harmonious development among ourselves, customers, shareholders, partners, employees, and society.