

Independent Non-executive Directors

The Board has at all times during the Reporting Period complied with the requirements of Rule 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Mechanism for Directors to Obtain Independent Views and Opinions

The Company has established a mechanism to ensure independent views and input are available to the Board. The Board has a majority of non-executive Directors (including independent non-executive Directors) and no less than one-third of independent non-executive Directors to ensure that there is a strong independent element on the Board. The Company has established various channels for the independent non-executive Directors to express their opinions, and secured sufficient time for Board meetings and Board Committee meetings to ensure that the Directors have sufficient time and channels to express their opinions. Directors may seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently. The Board will review the implementation and effectiveness of the above mechanism annually.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the Corporate Governance Code so as to ensure the establishment of sound corporate governance practices and procedures by the Company. During the Reporting Period, the Board has:

- (1) considered, formulated and reviewed the Company's policies and practices on corporate governance;
- (2) reviewed and monitored the training and continuous professional development of Directors and senior management;
- (3) reviewed and monitored the Company's policies and practices in compliance with legal and regulatory requirements as required under the applicable requirements of the Listing Rules;
- (4) reviewed and monitored the Directors' and relevant employee's compliance with the Company code; and
- (5) reviewed the Company's compliance with the Corporate Governance Code and relevant disclosure.

Corporate Governance Report

Responsibilities of the Board and the Management

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Chairman and Chief Executive Officer

Code provision C.2.1 of the Corporate Governance Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period, the Company has appointed Mr. Chongfeng Shen as both the chairman and the chief executive officer of the Company. Subsequent to the Reporting Period, on February 5, 2025, the Company has appointed Mr. Danyang Chen as both the chairman and the chief executive officer of the Company. The Board however believes that it is in the interests of the Company to vest the roles of both the chairman and the chief executive officer in the same person, so as to provide consistent leadership within the Group and facilitate the prompt execution of the Group's business strategies and boost operation effectiveness. The Board also believes that the balance of power and authority under this arrangement will not be impaired, as all major decisions must be made in consultation with the Board as a whole, together with its relevant committees, which comprise experienced individuals and four independent non-executive Directors who are in the position to provide independent insights to the Board and monitor the management and operation of the Company. To ensure proper governance and execution at management level, the Company also has in place various management committees who make management decisions collectively. The Board will periodically review and consider the effectiveness of this arrangement by taking into account the circumstances of the Group as a whole.

Re-election of Directors

Code provision B.2.2 states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company (the "**Articles of Association**"), one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and any Director appointed by the Board or elected by the Shareholders to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after such Director's appointment and be subject to re-election at such meeting.

Mr. Danyang Chen, Ms. Xin Fu, Mr. Wenwei Dou, Dr. Yaolin Zhang and Mr. Tianruo Pu will retire as Directors at, or hold office as Director until, the forthcoming annual general meeting of the Company and being eligible, will offer themselves for re-election at the meeting.

The Company has entered into a service contract with the executive Director for a term of three years and an appointment letter with each of the non-executive Directors and independent non-executive Directors for a term of three years. Directors are subject to retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Compensation and Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment/re-election and succession planning of Directors.

Training and Continuous Professional Development

Directors

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment, in order to make sure that he/she has appropriate understanding of the business and operations of the Company and is fully aware of his/her duties and responsibilities under the Listing Rules and other relevant statutory requirements.

Directors are encouraged to participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the Reporting Period, the Company arranged internal briefings for Directors and sent reading material on relevant topics to Directors for their reference and studying, including reading materials in relation to legal and regulatory updates. The training records of the Directors during the Reporting Period are summarized as follow:

Directors	Type(s) of Training ¹⁰²⁹
Executive Directors	
Mr. Danyang Chen (appointed on February 5, 2025)	N/A
Mr. Chongfeng Shen (resigned on February 5, 2025)	A and B
Non-executive Directors	
Mr. Michael Guo	A and B
Ms. Xin Fu	A and B
Mr. Wenwei Dou	A and B
Ms. Wenjun Wang	A and B
Independent Non-executive Directors	
Dr. Yaolin Zhang	A and B
Mr. Tianruo Pu	A and B
Mr. Wing Kin Anthony Chow	A and B
Mr. Koon Wing Ernest Ip	A and B

Note:

Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Corporate Governance Report

Committees

As at December 31, 2024, the Board has established the following committees: (i) Audit Committee and (ii) Compensation and Nomination Committee. These committees operate in accordance with their respective terms of reference established by the Board. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and of the Stock Exchange and are available to Shareholders upon request. The majority of the members of each Board committee are independent non-executive Directors and the list of the chairpersons and members of each Board committee is set out under "Corporate Information" of this Annual Report.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Tianruo Pu (chairperson of the Audit Committee), Mr. Wing Kin Anthony Chow and Mr. Koon Wing Ernest Ip.

The major duties and responsibilities of the Audit Committee are set out clearly in its terms of reference, which primarily include, among other things, (i) appointing the independent auditors (subject to shareholder approval) and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors, (ii) reviewing with the independent auditors any audit problems or difficulties and management's response, (iii) discussing the annual audited financial statements with management and the independent auditors, (iv) reviewing the adequacy and effectiveness of the accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures, (v) reviewing and approving all proposed related party transactions and (vi) meeting separately and periodically with management and the independent auditors.

The consolidated financial statements of the Group for the year ended December 31, 2024 have been reviewed by the Audit Committee and the external auditor. The Audit Committee is of the view that the consolidated financial statements of the Group for the year ended December 31, 2024 comply with the applicable accounting standards and the Listing Rules, and that sufficient disclosures have been made.

During the year ended December 31, 2024, 5 meetings were held by the Audit Committee and the following matters, among others, have been discussed and considered:

- (a) reviewed the unaudited financial results for the fourth quarter of 2023, and each of the first, second and third quarters of 2024 and the relevant quarterly results announcements;
- (b) reviewed the unaudited interim results of the Company for the six months ended June 30, 2024;
- (c) reviewed the interim report of the Company for the six months ended June 30, 2024;
- (d) discussed with the external auditor of the Company on their review of the Company's consolidated quarterly financial information for the fourth quarter of 2023 and each of the first, second and third quarters of 2024;

- (e) reviewed the Company's related party transactions and connected transactions;
- (f) reviewed the Company's internal control system and risk management system and discussed with the management on the effectiveness of these systems;
- (g) discussed with the external auditor of the Company on their integrated audit plan for 2024; and
- (h) recommended to the Board for the proposal for re-appointment of the external auditor of the Company.

All members of the Audit Committee attended the meetings.

Compensation and Nomination Committee

The Compensation and Nomination Committee consists of three members: two independent non-executive Directors, namely Dr. Yaolin Zhang (chairperson of the Compensation and Nomination Committee) and Mr. Wing Kin Anthony Chow, and one non-executive Director, namely Mr. Michael Guo.

The primary duties of the Compensation and Nomination Committee include assisting the Board in (i) reviewing, recommending and approving the compensation plan, including all forms of compensation, relating to the directors, senior management and executive officers, (ii) identifying candidates qualified to become the directors, and (iii) reviewing the structure, size and composition of the Board. In particular, the Compensation and Nomination Committee is responsible for, among other things, (i) reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements, (ii) considering salaries paid by comparable companies, time commitments, responsibilities and employment conditions elsewhere in the Group, (iii) selecting and recommending to the Board candidates for election by the shareholders or appointment by the Board, (iv) reviewing and monitoring the training and continuous professional development of Directors and senior management, (v) monitoring compliance with the code of business conduct and ethics, and (vi) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The Compensation and Nomination Committee shall also ensure that no Director or any of his or her associates shall be involved in determining his or her own compensation.

During the year ended December 31, 2024, the Compensation and Nomination Committee held one meeting for, among others, reviewing the structure, size and composition of the Board, assessing the performance and training of Directors, and reviewing and making recommendations to the Board on the compensation plan of the Company. All members of the Compensation and Nomination Committee at the time attended the meeting. During the Reporting Period, the Compensation and Nomination Committee also, among other things, considered and made recommendations to the Board on senior management candidates for appointment by the Board and their compensation packages.

Director Nomination Policy

The Company has adopted a director nomination policy which aims to render clear basis and procedures for the nomination and appointment of Directors. The Board will take into account factors such as character and integrity, qualifications, skills, experience, independence and diversity of the candidates, and whether or not the candidate is willing and able to devote adequate time to discharge duties as a member of the Board and Board committee upon receipt of the proposal of appointment of new Directors or the nomination proposal made by Shareholders at general meetings of the Company. When Directors are re-elected at general meetings, apart from the above standards, the Board will also review the overall contributions and services of retiring Directors to the Company and their level of participation and performance in the Board.

The Compensation and Nomination Committee is responsible for reviewing the director nomination policy to ensure its effectiveness.

Board Diversity Policy

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance its effectiveness. Pursuant to the Board Diversity Policy, the Board seeks to achieve its diversity through the consideration of a number of factors when selecting candidates to the Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

The Directors have a mix of knowledge and skills, including in banking and finance, financial planning, legal and compliance, business management, business development and investments. They obtained degrees in various areas such as accounting, business administration, economics, physics, public administration, law and engineering. The ages of the Directors range from 45 to 74 years old.

The Compensation and Nomination Committee is responsible for reviewing the Board Diversity Policy, monitoring the implementation of the Board Diversity Policy and reviewing the Board Diversity Policy from time to time to ensure its continued effectiveness. As at December 31, 2024, the Board comprises nine Directors, of which 22% of them are female and 78% of them are male. Having reviewed the Board Diversity Policy and the Board's composition, the Compensation and Nomination Committee considered that the requirements of the Board Diversity Policy had been met and therefore, no measurable objective for the implementation of the Board Diversity Policy is required to be set. However, from time to time, the Compensation and Nomination Committee will monitor the Board's composition and consider setting measurable objectives and reviewing such objectives to ensure their appropriateness and ascertain the progress made towards achieving Board diversity.

As at December 31, 2024, the full-time employees of the Group (including senior management) comprise about 66% male and 34% female. The Company shall continue to ensure that there is gender diversity when recruiting staff at mid to senior management level so that the Company could develop a pipeline of potential successors to the board to continue to achieve gender diversity.

Attendance of Board Meetings and Committee Meetings

Pursuant to the Corporate Governance Code, board meetings should be held at least four times a year at approximately quarterly intervals. During the Reporting Period, the Board has held five meetings.

Pursuant to the Corporate Governance Code, the chairman of the Board should at least annually hold meetings with independent non-executive Directors without the presence of other Directors. During the Reporting Period, the chairman of the Board has held one meeting with independent non-executive Directors in compliance with the Corporate Governance Code.

Details of the attendance of Directors at the Board meetings, committee meetings and the annual general meeting of the Company held during the year under review are set out below:

Number of meetings attended

Directors	Compensation and			
	General meetings	Board	Audit Committee	Nomination Committee
Number of meetings	2	5	5	1
Executive Directors				
Mr. Dangyang Chen (appointed on February 5, 2025)	N/A	N/A	N/A	N/A
Mr. Chongfeng Shen (resigned on February 5, 2025)	2/2	5/5	N/A	N/A
Non-executive Directors				
Mr. Michael Guo	2/2	5/5	N/A	1/1
Ms. Xin Fu	2/2	5/5	N/A	N/A
Mr. Wenwei Dou	2/2	3/5	N/A	N/A
Ms. Wenjun Wang	2/2	5/5	N/A	N/A
Independent Non-executive Directors				
Dr. Yaolin Zhang	2/2	5/5	N/A	1/1
Mr. Tianruo Pu	2/2	5/5	5/5	N/A
Mr. Wing Kin Anthony Chow	2/2	5/5	5/5	1/1
Mr. Koon Wing Ernest Ip	2/2	5/5	5/5	N/A

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Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors’ securities transactions.

Having made specific enquiries to all of the Directors of the Company, all Directors of the Company confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period.

Remuneration of Directors and Senior Management

The remuneration of the Directors and senior management is paid in the form of fees, basic salaries, housing allowances, other allowances and benefits in kind, employer’s contributions to a pension scheme, share-based payments and discretionary bonuses. The remuneration payable is determined taking into account factors such as individual performance, contribution and professional ability, and having regard to the Group’s operating results and the prevailing market salary level. The remuneration for independent non-executive Directors mainly comprises directors’ fees, which is determined by the Board upon recommendation from the Compensation and Nomination Committee.

Details of the remuneration of each of the Directors for the year ended December 31, 2024 are set out in Note 40 to the consolidated financial statements. None of the Directors has agreed to waive any emoluments for the year ended December 31, 2024.

There were four employees other than Directors classified as senior management for the year ended December 31, 2024; for details of the current members of senior management, please refer to the section headed “Biographical Details of Directors and Senior Management” in this Annual Report. The remuneration of the senior management by band for the year ended December 31, 2024 is set out below:

Remuneration bands	Number of employees
RMB500,000 to RMB1,000,000	2
RMB1,500,001 to RMB2,000,000	2
	<u>4</u>

Details of the remuneration of the five highest paid individuals is set out in Note 8 of the consolidated financial statements.

C. Accountability and Audit

Directors' Responsibility in respect of the Financial Statements

The Board acknowledges its responsibility for preparing the accounts which seek to give a true and fair view of the state of affairs of the Company and the Group, with necessary supporting assumptions or qualifications. The Directors also ensure the timely publication of the financial statements of the Company.

The management provides explanation and information to the Board to enable it to make an informed assessment of the financial and other information to be approved.

The Board endeavors to ensure a balanced, clear and understandable assessment of the Company's position and prospects when the Company presents financial reports and other information to general public and regulators pursuant to the Listing Rules and other statutory requirements.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board continues to prepare the financial statements on a going concern basis.

Risk Management and Internal Control

The Board has committed to ensuring the establishment and operation of an appropriate and effective risk management and internal control systems of the Company. The Board has continuously overseen the management in the design, implementation and monitoring of the risk management and internal control systems of the Company.

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failing in achieving the business objectives, and can only provide a reasonable and not absolute assurance against material misstatement or loss.

The Company has established an organizational structure with clear division of duties and positions as well as reporting procedures. The Audit Committee assists the Board in continuous review of the effectiveness of the Company's risk management and internal control systems.

During the Reporting Period, the management conducted an internal assessment of relevant risks faced by the Company. There is no material change in the aspect, nature and extent of the risks faced by the Company since the last review and the Company is confident of its capability to handle such risks and relevant measures have been established.

The Company has adopted the risk management framework described below to address the risks faced by the Company:

- The Board is the highest governance body for the enterprise risk management of the Company. The Board oversees the establishment of the Company's enterprise risk management system, reviews and approves the enterprise risk management objectives, risk appetite, thresholds and enterprise risk management measures of the Company.

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- The Audit Committee reports to the Board and assumes the supervision and management responsibilities for enterprise risk management with the assistance of the internal audit department. The Audit Committee supervises the application of the enterprise risk management system and discusses with the management to ensure its effectiveness and investigates any potential or actual significant risk or irregularity within the Company. To the extent that material internal control deficiencies are identified during the course of internal audit assessments, the internal audit department directly reports this to the Audit Committee in a timely manner, exercises supervision over the implementation of rectification plans proposed by the management, and reviews the adequacy and effectiveness of the relevant rectification measures. The Audit Committee shall discuss the reported issues and its subsequent rectification, and report to the Board as necessary.
- The Company has also established a risk management committee (the “RMC”), which is responsible for the policies, systems, the implementation thereof, rewards and penalties and other management functions. The RMC oversees the establishment of a enterprise risk management system, promotes the implementation of risk management objectives, risk appetite and thresholds, approves major risk management matters in light of these objectives, promotes the establishment of a standardized risk management mechanism, and supervises the development of risk management culture of the Company.
- The strategy and investment committee, consisting of Mr. Danyang Chen, Mr. Michael Guo and Dr. Yaolin Zhang, is responsible for reviewing and approving investment proposals made by the strategic investment and capital markets department, including issuances or disposals of equity or debt securities and investments in, joint ventures or alliances with, or acquisitions of other companies. The strategic investment and capital markets department sources investment projects in accordance with the investment strategy, and conducts thorough pre-investment due diligence to assess the risks and potential of the investment projects.
- The Company has in place an employee handbook, including work ethics and prevention mechanisms to avoid fraud, negligence and corruption, and a code of conduct approved by the management which has been distributed to all the employees. The Company provides employees with regular training and resources relating to work ethic, working procedures, internal policies, management, technical skills and other aspects to keep them abreast of the guidelines contained in the employee handbook. The Company has formulated a recruitment plan for the upcoming year based on the current turnover rate and the future business plan, and the Company continuously improves the recruitment process with the aid of information technology. The Company also has a rigorous background check process for the incoming employees.
- The Company has adopted the whistleblowing policy pursuant to which employees, customers, suppliers and other concerned parties can report any actual or suspected misconduct, or malpractice or improprieties in any matter relating to the Group, and for such matters to be investigated and dealt with efficiently in an appropriate and transparent manner. The Board has designated the Audit Committee to receive on his behalf any such reports, to oversee the conduct of subsequent investigations, and to provide information, including recommendations arising from any investigations to Audit Committee for consideration by the Board.
- The relevant risk management functions, including those at the local offices in jurisdictions where we operate, are responsible for formulating and implementing the risk management policies. The relevant departments take the lead in the day-to-day risk management related to the business operations, identify and assess potential risks, prepare risk management reports, and organize the implementation of appropriate response and treatment measures where necessary.

The Directors, as supported by the Audit Committee and the Compensation and Nomination Committee, have conducted an annual review of the effectiveness of the risk management and internal control system of the Group during the year ended December 31, 2024, covering all major functions including finance, operation and compliance. Based on the review results, the Directors are of the opinion that the system is effective and sufficient, having considered the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions, the risk level of various compliance operational aspects, and the Company's performance and reporting on environmental, social and governance.

The Company has formulated a disclosure policy to provide a general guide to the directors, officers, senior management and relevant employees of the Group and the board of directors of the Company in handling confidential information, monitoring information disclosure and responding to enquiries, pursuant to applicable laws and regulations. The Company adopts a bottom-up model for the reporting of data to the board on potential inside information and/or material events. The Company has established a disclosure committee consisting of the heads of departments or business units and key investor relations staff, which is generally responsible for reporting to senior management and the board of directors of the Company, regular collection, monitoring and evaluation of potential inside information and/or material events of the Company submitted by employees at different levels, and overseeing the operational aspects of the disclosure process to ensure that the information disclosed is true, accurate and complete in all material respects and without misleading statements or major omissions. The Audit Committee shall maintain oversight of the financial statements and the management discussion and analysis or any equivalent section in the periodic reports and earnings releases of the Company. Control procedures have been implemented to limit access to, and maintain confidentiality of, inside information, and ensure that unauthorized use of inside information is strictly prohibited.

Auditor and Auditors' Remuneration

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in this Annual Report on pages 89 to 91.

During the Reporting Period, the remuneration paid to the external auditor of the Group, being PricewaterhouseCoopers, is set out as follows:

Service category	Fee paid/payable for the Reporting Period (RMB' 000)
Audit services	11,650
Non-audit services*	2,778
Total	14,428
* Significant non-audit service assignments included tax refund and tax defence consulting services (for which RMB2,430,000 was paid/payable).	

D. Communication with Shareholders and Investors

The Company has established a Shareholders' communication policy. The policy aims at ensuring that the Company's Shareholders and, in appropriate circumstances, the investment community at large, are timely provided with complete, equal and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, corporate governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication between the Shareholders, the investment community and the Company.

The Company has reviewed the implementation and effectiveness of the above shareholder communication policy during the Reporting Period and is satisfied that the policy has been implemented effectively, having considered the availability of multiple channels of communication and engagement in place below.

The Company conveys the information to the Shareholders and investors mainly through the following channels:

- disclosures to the market submitted to the Stock Exchange, such as the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules, which are uploaded onto www.hkexnews.hk;
- the Company's investor relations website at www.ocft.com;
- the holding of annual general meeting and extraordinary general meetings, if any, which may be convened for specific purposes; and
- the holding of earnings conference calls from time to time.

To facilitate the exchange of views between the Shareholders and the Board, the chairman of the Board and chairpersons of the Board committees (or their delegates (if applicable)), appropriate executive management personnel and the external auditor will attend the annual general meetings and answer the questions raised by the Shareholders.

Rights of Shareholders

Pursuant to Article 60(b) of the Articles of Association, one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights shall be entitled to require the convening of a general meeting with a written requisition deposited at the registered office of the Company and specifying the objects of the meeting and the resolutions to the meeting agenda, and must be signed by the requisitionist.

If the Board does not within 21 calendar days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said 21 calendar days.

Putting Forward Proposals at General Meetings by Shareholders

There is no provision allowing the Company's shareholders to put forward new resolutions at general meetings under the Companies Law of the Cayman Islands or the Articles of Association of the Company. The Company's shareholders who wish to put forward a resolution may request the Company to convene a general meeting following the procedures set out in the preceding sub-section.

Enquiry to the Board

Enquiry may be made to the Board at the principal place of business of the Company in Hong Kong at Room 2701, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

Investor Relations

The Company publishes on its website (www.ocft.com) the latest company news relating to the Group. The public is welcome to provide opinions and make inquiries through the Company's website.

Shareholders may also contact the Investor Relations Department of the Company from time to time to understand the information published by the Company. Shareholders may send their enquiries to OCFT_IR@ocft.com for the attention of the Investor Relations Department.

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by sending submitting online enquiries using the link <https://www-uk.computershare.com/Investor/#Contact/Enquiry?cc=hk&lang=en> or calling its hotline at +852 2862 8555, or going in person to its address at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Amendments to the Constitutional Documents

No changes have been made to the Articles of Association by the Company during the Reporting Period. The latest version of Articles of Association are also available on the websites of the Company and the Stock Exchange.

E. DIVIDEND POLICY

The Company has adopted a dividend policy pursuant to the Corporate Governance Code, subject to certain restrictions under Cayman Islands law, namely that the Company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

While deciding on the declaration or payment of any dividends and the amount of any dividends, the Board will take into account, among other things, the Company's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If the Company pays any dividends on the Shares, we will pay those dividends which are payable in respect of the Shares underlying the ADSs to the depositary of the Company's ADSs (the "**Depository**"), as the registered holder of such Shares, and the Depository then will pay such amounts to the ADS holders in proportion to the Shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on the Shares, if any, will be paid in U.S. dollars.

Directors' Report

The Board is pleased to present this Annual Report and audited consolidated financial statements of the Group for the year ended December 31, 2024 (the "Reporting Period").

Principal Business

The Company is a technology-as-a-service provider for the financial services industry. The Company integrates extensive financial services industry expertise with market-leading technology to provide technology applications and technology-enabled business services to financial institutions. The integrated solutions and platform the Company provides include digital banking solution, digital insurance solution and Gamma Platform, which is a technology infrastructural platform for financial institutions. The Company's solutions enable its customers' digital transformations, which help them improve efficiency, enhance service quality, and reduce costs and risks. The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on July 4, 2022.

Operating segment information of the Company for the Reporting Period is presented in Note 6 to the consolidated financial statements, and a list of principal subsidiaries of the Company, together with the details of their places of incorporation, principal businesses and shares in issue/registered capital, is set out in Note 1 to the consolidated financial statements. Save as disclosed in the "Chairman's Statement – "Business Review" and "Management Discussion and Analysis" sections in this Annual Report with respect to Board's decision to gradually discontinue the operations of the Group's cloud services from July 2024 onwards, there were no substantial changes in the principal business of the Group during the Reporting Period.

Results and Dividends

The operating results of the Group for the year ended December 31, 2024 and the financial positions of the Company and the Group as at the same date are set out in the consolidated financial statements on pages 92 to 98 of this Annual Report.

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

Business Review

Details of the business review and performance of the Group during the Reporting Period (including the description of the main risks and uncertainties facing the Group, any material events affecting the Company that have occurred since the end of 2024, the key financial performance indicators and prospects) are set out in the "Chairman's Statement" and "Management Discussion and Analysis" sections on pages 7 to 23 of this Annual Report, which form part of this report.

Summary of Financial Information

According to the audited consolidated financial statements and after reclassification as appropriate, the published results, assets, liabilities and net assets of the Group for the past five fiscal years is presented on page 218 "Financial Summary" section of this Annual Report. This summary does not form part of the audited consolidated financial statements.

Property and Equipment

Details of changes in the property and equipment of the Group during the Reporting Period are set out in Note 14 to the consolidated financial statements.

Share Capital

The Company had 1,169,980,653 ordinary shares in issue as at December 31, 2024. Details of movements in the share capital of the Company during the year, together with the reasons therefor, are set out in Note 26 to the consolidated financial statements.

Pre-emptive Right

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands (the jurisdiction in which the Company was incorporated) which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

Purchase, Sale or Redemption

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange during the Reporting Period.

Tax Relief and Exemption

The Company has no knowledge of any tax relief and exemption provided to the Shareholders due to their holding of the Company's securities.

Reserves

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in Note 27 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

Reserves Available for Distribution

The Company may pay dividends out of its share premium account and retained earnings.

As at December 31, 2024, the Company did not have any distributable reserves.

Directors' Report

Major Customers and Suppliers

Details of the Group's transactions with its major suppliers and customers during the year are set out as below:

For the year ended December 31, 2024, aggregating Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司) ("Ping An") and its subsidiaries ("Ping An Group") as one customer, Ping An Group was the largest customer, accounting for approximately 53.0% of the total revenue from continuing operations (2023: 59.4%). The aggregate revenue generated from the five largest customers contributed approximately 64.5% of the total revenue from continuing operations for the year ended December 31, 2024 (2023: 70.5%).

For the year ended December 31, 2024, Ping An Group was the largest supplier, accounting for approximately 56.7% of the total purchases (2023: 56.4%). The aggregate purchases from the five largest suppliers contributed approximately 80.7% of the total purchases for the year ended December 31, 2024 (2023: 69.6%).

Ping An is one of the controlling shareholders. Besides Ping An Group, the five largest customers also included Lufax Holding Ltd. ("Lufax"), which was an associate of Ping An Group previously and became a subsidiary of Ping An Group on July 30, 2024. Save as disclosed, none of the Directors, their respective close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company) had any interest in any of the five largest customers or suppliers during the year ended December 31, 2024.

Environmental Policies and Performance

The Group emphasizes the importance of energy conservation and environmental protection as part of its corporate culture and encourages its employees to minimize the use of paper by promoting digitalization of documents and better use of waste paper. Further details of the Group's environmental policies and performance are disclosed in the environmental, social and governance report of the Company for the Reporting Period which has been published on the Company's website and the website of the Stock Exchange website in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Donations

No donation has been made by the Group during the Reporting Period.

Relationship with Stakeholders

The Group recognizes that the interests of stakeholders are vital to the sustainable development of its business operation and is committed to maintaining effective communication with the major stakeholders, including customers and employees to enhance the relationship and cooperation for the long-term development of the Group.

The Group's customers include large and joint-stock banks, city commercial banks, small and medium-sized banks, property and casualty insurance companies, life insurance companies, financial institutions, and government agencies and regulators.

Employees are considered as the most important and valuable assets of the Group. The remuneration package for employees generally includes salary and bonuses. The Group conducts periodic performance reviews for employees, and their remuneration is performance-based. Employees also receive welfare benefits including medical care, housing subsidies, pension, occupational injury insurance and other miscellaneous benefits. The Group also provides regular training to employees designed to improve staff dedication and increase staff knowledge in a number of important areas of its services, which has enhanced the productivity of employees.

Compliance with Applicable Laws and Regulations

As the Group mainly operates in China through its subsidiaries, it is subject to the Chinese laws and regulations relating to software and technology service, banking services, e-commerce and insurance, including but not limited to those on foreign investment, value-added telecommunication services, internet information services, mobile internet application information services, cyber security and privacy protection, blockchain, e-commerce, outsourcing services, loan facilitation, insurance, electronic certification service, taxation, intellectual property, labor and personnel, foreign exchange, stock incentive plans, anti-monopoly and unfair competition, M&A rules and overseas listings. Meanwhile, as a company incorporated in the Cayman Islands and listed on the NYSE and the Stock Exchange, the Company is governed by the Company Law of the Cayman Islands, the United States Securities Exchange Act of 1934, the United States Securities Act of 1933, the Hong Kong Listing Rules and the Hong Kong Securities and Futures Ordinance.

During the year ended December 31, 2024, to the best knowledge of the Board, the Group does not have any incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business.

Directors

The Directors during the Reporting Period and as at the date of this Annual Report were as follows:

Executive Directors:

Mr. Danyang Chen (*Chairman and Chief Executive Officer*) (appointed on February 5, 2025)
Mr. Chongfeng Shen (*resigned on February 5, 2025*)

Non-executive Directors:

Mr. Michael Guo
Ms. Xin Fu
Mr. Wenwei Dou
Ms. Wenjun Wang

Independent Non-executive Directors:

Dr. Yaolin Zhang
Mr. Tianruo Pu
Mr. Wing Kin Anthony Chow
Mr. Koon Wing Ernest Ip

Directors' Report

Biographies of Directors and Senior Management

Biographical details of the Directors and the senior management of the Group are set out on pages 78 to 84 of this Annual Report.

Change in Directors' Information

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Michael Guo was appointed as a non-executive director of Ping An Healthcare and Technology Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1833) on March 19, 2024, a non-executive director of Ping An Life Insurance Company of China, Ltd. in May 2024, a director of Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司) in August 2024, a non-executive director of Ping An Bank Co., Ltd. (平安銀行股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 000001), in September 2024, an executive director of Ping An on September 18, 2024 and a director of Peking University Medical Management Co., Ltd. in December 2024;
- Ms. Xin Fu was appointed as a non-executive director of Ping An Bank Co., Ltd. (平安銀行股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 000001), in March 2024, an executive director of Ping An on September 18, 2024, a director of Peking University Medical Management Co., Ltd. in December 2024 and the chief financial officer (financial director) of Ping An in March 2025;
- Mr. Wing Kin Anthony Chow was appointed as an independent non-executive director of China Resources Beverage (Holdings) Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2460) on October 8, 2024;

Save as disclosed above, there are no other changes in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Independence of Independent Non-Executive Directors

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules, and the Company is of the view that such independent non-executive Directors are independent.

Service Contracts of Directors

None of the Directors has entered into any unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation.

Directors' Interests in Material Transactions, Arrangements and Contracts as well as Competing Business

Save as disclosed in the sub-section headed "Connected Transactions and Related Party Transactions" and Note 37 to the "Related Party Transactions" of the consolidated financial statements in this Annual Report, no contracts of significance (as defined in Appendix D2 of the Listing Rules) related to the business of the Company to which the Company, its holding companies or any of its subsidiaries was a party and in which a Director or controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of 2024 or at any time during the Reporting Period.

As of December 31, 2024, none of the Directors or their respective associates (as defined under the Listing Rules) has any interest in a business which competes or is likely to compete with the Group's business under Rules 8.10(2)(b) and 8.10(2)(c) of the Listing Rules.

Connected Transactions and Related Party Transactions

Connected Transactions

On November 13, 2023, the Company entered into a share purchase agreement with Lufax and Ping An OneConnect Bank (Hong Kong) Limited (now renamed as PAO Bank Limited, "**PAOB**"), pursuant to which the Company conditionally agreed to sell, and Lufax conditionally agreed to acquire, PAOB through transferring the entire issued share capital of Jin Yi Tong Limited at a consideration of HK\$933.0 million in cash, subject to the terms and conditions of the share purchase agreement. Lufax is an associate of Ping An, a controlling shareholder of the Company, and thus a connected person of the Company. Taking into account the business strategy of the Group, the Directors believed that the disposal represented a good opportunity for the Group to focus more on technology-driven products and services that require less capital, and allow the Group to deploy appropriate resources towards such technology-driven products and services. On April 2, 2024, the Company completed the aforementioned disposal at a consideration of HK\$933.0 million in cash, and upon completion the Company ceased to hold any interest in Jin Yi Tong Limited. Accordingly, Jin Yi Tong Limited and its subsidiaries, including PAOB, have ceased to be subsidiaries of the Company and their financial results have ceased to be consolidated into the financial statements of the Group. The Company has reassessed the estimated amount of gain on disposal as of the closing date. Subject to final audit to be performed by the Company's auditors and taking into account currency translation differences, the estimated gain on the disposal will be RMB309 million with reference to information available as of April 17, 2024. For further 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.

Directors' Report

Continuing Connected Transactions

Connected Persons

The table below sets forth the connected persons of the Company involved in the continuing connected transactions during the Reporting Period and the nature of their connected relationship with the Company.

Connected Relationship	Name
Controlling shareholder and its subsidiaries and/or associates	Ping An, a controlling shareholder of the Company, and its subsidiaries and/or associates, including but not limited to Shenzhen Ping An Financial Technology Consulting Co., Ltd. (深圳平安金融科技諮詢有限公司) ("Ping An Financial Technology")
Directors and their associate	Mr. Wenwei Dou and Ms. Wenjun Wang, two of the non-executive Directors, and their controlled entity, Urumqi Guang Feng Qi Investments Limited Partnership (烏魯木齊廣豐旗股權投資有限合夥企業) ("Guang Feng Qi")

Non-exempt and Partially-exempt Continuing Connected Transactions

As disclosed in (i) the section headed "Connected Transactions" of the listing document published by the Company on June 28, 2022 (the "Listing Document"), (ii) the announcement published by the Company on April 23, 2024 relating to the 2024 services purchasing agreement entered into with Ping An; and (iii) the announcements published by the Company on September 26, 2023 and October 9, 2023 relating to the insurance services purchasing agreement entered into with certain branches of Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司) ("Ping An Property & Casualty Branches"), a subsidiary of Ping An, the following transactions of the Group with Ping An and its subsidiaries and/or associates constituted continuing connected transactions of the Company for the Reporting Period and were entered into in accordance with the relevant pricing policies.

	Proposed annual cap for the year ended December 31, 2024 (RMB in millions)	Actual transaction amount for the year ended December 31, 2024 (RMB in millions)
Continuing connected transactions		

Property Leasing Agreement

Total value of right-of-use asset relating to leases with subsidiaries of Ping An	28.58	15.24
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Provision of Services and Products Agreement

Transaction amount to be paid by subsidiaries and associates of Ping An	3,850.00	1,343.52
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Services and Products Purchasing Agreement

Transaction amount to be paid by the Group to subsidiaries and associates of Ping An	2,380.33	794.99
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Financial Services Agreement**Deposit Services**

Maximum daily balance of deposits placed by the Group with the subsidiaries of Ping An	1,140.64	901.39
Interest income received by the Group from the subsidiaries of Ping An for the deposits*	17.65	15.05

Loan Financing Service

Maximum daily balance of loans by the Group with the subsidiaries of Ping An	500.00	nil
Loan interest payable by the Group on the loans to the subsidiaries of Ping An	17.50	nil

Wealth Management Service

Maximum daily balance of wealth management products purchased by us from the subsidiaries of Ping An	1,140.64	425.13
Investment income received by the Group from the subsidiaries of Ping An	19.26	8.84

* net of withholding tax

Directors' Report

	Proposed annual cap for the year ended December 31, 2024 (RMB in millions)	Actual transaction amount for the year ended December 31, 2024 (RMB in millions)
Continuing connected transactions		

Interbank Services

Maximum daily balance of interbank deposits to be placed by the Group with the subsidiaries of Ping An	120.00	nil
Interest income received by the Group from the subsidiaries of Ping An for the interbank deposits	1.80	nil
Maximum daily balance of interbank loans by the Group with the subsidiaries of Ping An	600.00	nil
Loan interest payable by the Group on the interbank loans to the subsidiaries of Ping An	9.00	nil

Derivative Products Services

Maximum outstanding notional amount in respect of foreign exchange and interest rate derivative products to be purchased by the Group with the subsidiaries of Ping An	4,000.00	725.05
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2024 Services Purchasing Agreement

Transaction amount to be paid by the Group to Ping An	3.08	2.91
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Insurance Services Purchasing Agreement

Transaction amount to be paid by the Group to branches of a subsidiary of Ping An	20.00	2.92
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1. Property Leasing Agreement

The Group entered into a property leasing agreement with certain subsidiaries of Ping An on May 18, 2022 (the **"Property Leasing Agreement"**), pursuant to which the Group shall lease properties (including premises sharing) from such subsidiaries of Ping An for office use. Separate agreements shall be entered into between the relevant parties setting out the specific terms and conditions (including property rents, payment methods and other usage fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the Property Leasing Agreement. The initial term of the Property Leasing Agreement commenced on the date of the Company's listing on the Stock Exchange, being July 4, 2022 (the **"Listing Date"**) and had ended on December 31, 2024, subject to renewal upon mutual consent by the parties.

The rents payable by the Group during the lease term shall be determined on normal commercial terms after arm's length negotiations between the relevant parties, and the rents shall be in line with or no higher than the prevailing market rates of properties of comparable location, floor area and quality made available by independent third parties. The Group shall make inquiries on and survey the rental prices offered by independent third parties for office leasing spaces of comparable location and quality, in order to determine the prevailing market rates for comparison to ensure that the rental fees payable by the Group are on normal commercial terms and are fair and reasonable and in the interest of the Shareholders. The aggregate amount of the rents to be paid to the subsidiaries of Ping An under the Property Leasing Agreement for the year ending December 31, 2024 was not expected to exceed RMB31.33 million, while the actual transaction amount was approximately RMB18.97 million. Pursuant to IFRS16, the lease of properties by the Group as lessee under the Property Leasing Agreement will be recognized as both right-of-use assets and an ongoing lease liability payable over the term of the lease.

Further details of the Property Leasing Agreement are set out in the section headed "Connected Transactions" in the Listing Document.

Renewal of the transaction

As the 2022 Property Leasing Agreement had expired on December 31, 2024, the Company renewed the 2022 Property Leasing Agreement and entered into the 2024 Property Leasing Agreement with the parties to the 2024 Property Leasing Agreement (as defined in the announcement of the Company dated November 4, 2024 (the **"CCT Announcement"**)) on November 4, 2024, pursuant to which subsidiaries of Ping An intend to lease out a portion of the properties owned by them to the Group for office use and provide property management services to the Group. The parties thereto will enter into separate agreements setting out the specific terms and conditions (including property rents, property fees, payment methods and other usage fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the 2024 Property Leasing Agreement. The terms of the 2024 Property Leasing Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from January 1, 2025 to December 31, 2027, both dates inclusive. Relevant details are set out in the CCT Announcement and the circular of the Company dated November 6, 2024 (the **"CCT Circular"**).

2. Provision of Services and Products Agreement

The Group entered into a provision of services and products agreement with certain subsidiaries and associates of Ping An on May 18, 2022 (the **"Provision of Services and Products Agreement"**), pursuant to which the Group shall provide the following services and products to subsidiaries and associates of Ping An: (1) in terms of banking related financial technology solutions, the products and services include product design, risk management, operation-related technical services and marketing services; and (2) in terms of non-banking related financial technology solutions, the products and services include (a) insurance related technical services, which covers loss assessments, operation management and anti-fraud solutions, and (b) non-insurance related technical services, which covers product design, marketing management, risk control and operation management. Fees shall be paid to the Group by subsidiaries and associates of Ping An in respect of the provision of such services and products. The initial term of the Provision of Services and Products Agreement commenced on the Listing Date and had ended on December 31, 2024, subject to renewal upon the mutual consent by the parties.

For each type of services and products, the services and products fees to be paid to the Group shall be determined on the basis of arm's length negotiations between the relevant parties. In particular, for standardized products and services, the service fees charged by the Group shall be based on the transaction volume generated using the Group's solutions or other criteria linked to the usage of its solutions by the subsidiaries and associates of Ping An, and with reference to market rates applicable to such services and products. As for custom software development or implementation services, the service fees will be determined mainly by taking into account labor costs of technical staff associated with the project, which shall be in line with market practice. Further, when determining the price for a service or product, to ensure that the terms of supplying services and products to such subsidiaries and associates of Ping An are fair and reasonable, the Group will consider a set of factors, including the comparable historical prices of the relevant services and products offered by it, transaction volumes, transaction amounts and scale of services, and purchase volumes. The Group shall also ensure the prices of its services and products offered to such subsidiaries and associates of Ping An shall not be lower than those offered by the Group to independent third parties for similar services and products.

Further details of the Provision of Services and Products Agreement are set out in the section headed "Connected Transactions" in the Listing Document.

Renewal of the transaction

As the 2022 Provision of Services and Products Agreement has expired on December 31, 2024, the Company renewed the 2022 Provision of Services and Products Agreement and entered into the 2024 Provision of Products and Services Agreement with the parties to the 2024 Provision of Products and Services Agreement (as defined in the CCT Announcement) on November 4, 2024, pursuant to which the Group will provide the following products and services to subsidiaries and associates of Ping An: (1) in terms of banking solutions, including but not limited to the provision of product design, risk control, operation-related technical services and marketing services; and/or (2) in terms of non-banking solutions, including but not limited to the provision of insurance related technical services such as loss assessments, operation management, anti-fraud solutions, data reporting and governance, and the provision of non-insurance related technical services such as product design, marketing management, risk control and operation management. The terms of the 2024 Provision of Services and Products Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from January 1, 2025 to December 31, 2027, both dates inclusive. Relevant details are set out in the CCT Announcement and CCT Circular.

3. Services and Products Purchasing Agreement

The Group entered into a services and products purchasing agreement with certain subsidiaries and associates of Ping An on May 18, 2022 (the "**Services and Products Purchasing Agreement**"), pursuant to which such subsidiaries and associates of Ping An shall provide certain services to the Group, including (1) technology services and products such as technology development system, information technology, core modules, information security processing services and related software and hardware facilities; (2) service solution module outsourcing services; (3) operation management services and products; (4) healthcare-related products and services; (5) rewards program products; and/or (6) other services and products. The Group shall, in return, pay service fees to the subsidiaries and associates of Ping An. The precise scope of services and products, service fee calculation, method of payment and other details of the service arrangement shall be agreed between the relevant parties separately. The initial term of the Services and Products Purchasing Agreement commenced on the Listing Date and had ended on December 31, 2024, subject to renewal upon the mutual consent by the parties.

Further details of the Services and Products Purchasing Agreement are set out in the section headed "Connected Transactions" in the Listing Document.

Renewal of the transaction

As the 2022 Services and Products Purchasing Agreement has expired on December 31, 2024, the Company renewed the 2022 Provision of Services and Products Purchasing Agreement and entered into the 2024 Services and Products Purchasing Agreement with the parties to the 2024 Services and Products Purchasing Agreement (as defined in the CCT Announcement) on November 4, 2024, pursuant to which such subsidiaries and associates of Ping An will provide the following services and products to the Group: (1) technology-based products and services, including but not limited to technology development system, information technology, core modules, information security processing services and related software and hardware facilities; (2) service solution module outsourcing services; (3) operation management products and services; (4) healthcare-related products and services; (5) insurance products and services; (6) rewards program products; and/or (7) other services and products. The terms of the 2024 Services and Products Purchasing Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from January 1, 2025 to December 31, 2027, both dates inclusive.

The services and products fees to be paid by the Group to the subsidiaries and associates of Ping An under the 2024 Services and Products Purchasing Agreement will be determined either 1) through internal tendering and bidding procedures according to the internal rules and procedures of the Company, whereby the Company will compare the service price charged by at least two independent third parties for the provision of similar services or products, and taking into account its own business needs and qualifications of the bidder; or 2) if no internal tendering and bidding process is required, through negotiations taking into account various commercial factors such as nature, usage and transaction term of the services or products, transaction amount and scale of funds associated with the procurement of such services or products, as well as the comparable market rates, if any, and shall be substantially in line with prices offered by the subsidiaries and associates of Ping An to their respective independent third parties for similar services or products, which are provided by such subsidiaries and associates of Ping An to the Group or obtained and compared by the Group from public market. Relevant details are set out in the CCT Announcement and the CCT Circular.

4. Financial Services Purchasing Agreement

The Group entered into a financial services purchase agreement with certain subsidiaries of Ping An on May 18, 2022 (the "**Financial Services Agreement**"), pursuant to which such subsidiaries of Ping An shall provide financial services to the Group including deposit services, wealth management services, loan services, interbank services, and/or derivatives products services. The initial term of the Financial Services Agreement commenced on the Listing Date and had ended on December 31, 2024. Further details of the Financial Services Agreement are set out in the section headed "Connected Transactions" in the Listing Document.

Renewal of the transaction

As the 2022 Financial Services Agreement has expired on December 31, 2024, the Company renewed the 2022 Financial Services Agreement and entered into the 2024 Financial Services Purchasing Agreement with the parties to the 2024 Financial Services Purchasing Agreement (as defined in the CCT Announcement) on November 4, 2024, pursuant to which such subsidiaries of Ping An will provide the Group with financial services, including deposit services, wealth management services and/or derivatives services. In respect of the deposit services, the Group considers placing cash deposits (including cash generated from ordinary business operations and proceeds from financing activities) into the Group's bank accounts maintained with subsidiaries of Ping An, in which case subsidiaries of Ping An by then intend to pay interest on the deposits to the Group. In respect of wealth management services, the Group will consider purchasing wealth management products and services from subsidiaries of Ping An in exchange for investment returns. In respect of derivative services, the Group will consider the purchase of foreign exchange and interest rate derivative products from subsidiaries of Ping An. The terms of the 2024 Financial Services Purchasing Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from January 1, 2025 to December 31, 2027, both dates inclusive.

Deposit services

Interest rates for the deposits placed by the Group with the subsidiaries of Ping An (i) shall not be lower than: (a) the benchmark interest rate for deposits of a similar type for the same period published by the People's Bank of China ("PBOC"); (b) the interest rates obtained by the Group from at least two independent third parties for deposits of a similar type for the same period, or (c) the interest rates to be obtained by the Group from independent commercial banks for deposits of a similar type for the same period, and (ii) will be consistent with those offered to other depositors of subsidiaries of Ping An, including independent third parties of subsidiaries of Ping An.

Wealth management services

The method for obtaining and calculating the investment returns on wealth management products and services to be sold by subsidiaries of Ping An to the Group will: (a) not be less favorable than the benchmark rates for comparable wealth management products and services published from time to time by PBOC or the National Financial Regulatory Administration (wherever applicable); or (b) not be less favorable than the average investment return rates offered by at least two independent commercial banks or financial institutions for comparable wealth management products and services obtained by the Group (wherever applicable); or (c) be consistent with those offered to other purchasers of subsidiaries of Ping An, including independent third parties of subsidiaries of Ping An.

Derivative products services

The terms of derivative products to be sold by subsidiaries of Ping An to the Group are unified contract template, which will be substantially consistent with those offered to other purchasers, including independent third parties of subsidiaries of Ping An. The Group will also compare these terms with the market prices as quoted by independent external financial information service provider such as Bloomberg, to ensure the terms provided by subsidiaries of Ping An are fair and reasonable.

Relevant details are set out in the CCT Announcement and the CCT Circular.

5. 2024 Services Purchasing Agreement

The Group renewed the 2023 Services Purchasing Agreement as disclosed in the announcement published by the Company on April 23, 2024 by entering into the 2024 Services Purchasing Agreement with Ping An on April 23, 2024 (the **"2024 Services Purchasing Agreement"**), pursuant to which Ping An shall provide certain services to the Group, including financial service solution services, administrative services, risk control services and human resources services. The term of the 2024 Services Purchasing Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from April 23, 2024 to December 31, 2024, both dates inclusive. Relevant details are set out in the announcement of the Company dated April 23, 2024.

6. Insurance Services Purchasing Agreement

The Group has previously entered into the Insurance Services Purchasing Agreement with Ping An Property & Casualty Branches (the **"Insurance Services Purchasing Agreement"**), pursuant to which Ping An Property & Casualty Branches provided property liability insurance services to the Group. The Insurance Services Purchasing Agreement was for a term commencing from January 1, 2023 to December 31, 2023. On September 26, 2023, the Group entered into a supplemental agreement to the Insurance Services Purchasing Agreement with Ping An Property & Casualty Branches, pursuant to which the term was extended to December 31, 2024 and the existing annual cap was revised.

- The services and products fees to be paid by the Group to Ping An Property & Casualty Branches under the Insurance Services Purchasing Agreement will be determined either 1) through bidding procedures according to the internal rules and procedures of the Group, whereby the Group will compare the fees rates offered by independent third parties as well as assessing its business needs and the relevant qualifications/experience of the bidders in providing such services before determining the service fee rate for the transactions under the Insurance Services Purchasing Agreement; or 2) if no tendering and bidding process is required under the Group's internal rules, through arm's length negotiations between the relevant parties taking into account factors such as nature, transaction amount and term of the services and products, and shall be in line with fees offered by Ping An Property & Casualty Branches to their independent third parties for similar services and products. The services and products fees to be paid by the Group will be determined on the basis of arm's length negotiations between the relevant parties, which shall be in line with prevailing market rates and with reference to the applicable prices of the services and products to ensure that the terms of purchasing services and products from Ping An Property & Casualty Branches are fair and reasonable.

Further details of the Insurance Services Purchasing Agreement are set out in the announcements published by the Company on September 26, 2023 and October 9, 2023.

Directors' Report

Confirmation from Independent Non-executive Directors

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

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the relevant agreement governing each of the continuing connected transactions on terms that are fair and reasonable and in the interests of Shareholders and the Company as a whole.

Confirmation from the Company's Independent Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, PricewaterhouseCoopers, was engaged to report on the Group's continuing connected transactions. Below was set out in the letter from the auditor containing their findings and conclusions of the review in respect of the continuing connected transactions disclosed above:

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions that involve the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual caps as set by the Company.

Non-exempt Continuing Connected Transactions – Contractual Arrangements

Please refer to the sub-section headed “Contractual Arrangements” for details on contractual arrangements entered into by the Group, including a series of contractual arrangements during the Reporting Period entered into among a wholly-owned subsidiary of the Company, Shenzhen OneConnect Technology Services Co., Ltd. (深圳壹賬通科技服務有限公司) (“**Shenzhen OneConnect Technology**”), Shenzhen OneConnect Smart Technology Co., Ltd. (深圳壹賬通智能科技有限公司) (“**Shenzhen OneConnect**”) and its equity holders as authorized by the Group. Certain equity holders of Shenzhen OneConnect, namely Ping An Financial Technology, Guang Feng Qi, Mr. Wenwei Dou and Ms. Wenjun Wang, are connected persons of the Company. Ping An Financial Technology is a subsidiary of Ping An, one of the controlling shareholders of the Company, and is therefore an associate of Ping An. Guang Feng Qi is held as to 50% by two of the non-executive Directors, Mr. Wenwei Dou and Ms. Wenjun Wang, and is therefore an associate of Mr. Wenwei Dou and Ms. Wenjun Wang respectively.

Save as disclosed in this Annual Report, during the Reporting Period, the Company had no other connected transactions or continuing connected transactions which are required to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules, and none of the related party transactions as disclosed in Note 37 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the Reporting Period.

Details of related party transactions are set out in Note 37 the consolidated financial statements.

Contractual Arrangements

Background to the Contractual Arrangements

In order to comply with the relevant PRC laws, regulations and regulatory requirements, while availing itself of international capital markets and maintaining effective control over all of its operations, the Company gained control over (i) Shenzhen OneConnect and its subsidiaries (the “**Shenzhen OneConnect Consolidated Affiliated Entities**”) through a series of contractual arrangements entered into among a wholly-owned subsidiary of the Company, Shenzhen OneConnect Technology, Shenzhen OneConnect and the equity holders of Shenzhen OneConnect; and (ii) Shenzhen E-commerce Safety Certificates Administration Co., Ltd. (深圳市電子商務安全證書管理有限公司) (“**Shenzhen CA**”, together with Shenzhen OneConnect, the “**VIEs**”) and its subsidiary through a series of contractual arrangements entered into among a wholly-owned subsidiary of the Company, Zhang Tong Shun (Guangzhou) Technology Co., Ltd. (張通順(廣州)科技有限責任公司) (“**Zhang Tong Shun**”, together with Shenzhen OneConnect Technology, the “**WFOEs**”), Shenzhen CA and certain equity holders of Shenzhen CA (collectively, the “**Contractual Arrangements**”). The Contractual Arrangements relating to the Shenzhen OneConnect Consolidated Affiliated Entities currently in effect are a series of contracts entered into in September 2019. As a result, during the Reporting Period, the Company did not directly own any controlling stake in the consolidated affiliated entities.

Directors' Report

During the Reporting Period, the Group operated its value-added telecommunication services, cloud services, electronic certification and related services and solutions and private investment fund business through the Contractual Arrangements, as such business operations are subject to foreign investment restriction under the applicable PRC laws, regulations and regulatory requirements as set out in the section headed "Contractual Arrangements – PRC Regulatory Background" in the Listing Document. In addition, the Company operated certain insurance intermediary services which are not subject to foreign investment restriction under the applicable PRC laws, regulations and regulatory requirements (the "**Non-restricted Businesses**"), and made certain non-controlling investments in its ordinary course of business through the Contractual Arrangements, as described in the section headed "Contractual Arrangements – PRC Regulatory Background" in the Listing Document. During the Reporting Period, the revenue generated from the Non-restricted Businesses accounted for 0.2% of the Group's total revenue from continuing operations.

As a result of these Contractual Arrangements, the Company exercises control over the operations of its consolidated affiliated entities and receives substantially all of their economic benefits and residual returns. Accordingly, the results of operations, assets and liabilities, and cash flows of the consolidated affiliated entities are consolidated into the Company's financial statements. During the Reporting Period, the revenue contribution of the consolidated affiliated entities accounted for 91.6% of the Group's total revenue from continuing operations. For details of the Contractual Arrangements, see Note 1 of the consolidated financial statements and the section headed "Contractual Arrangements" in the Listing Document.