

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For fiscal year ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number 001-38813

MAASE Inc.

(Exact name of the Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

**12F, Block B, Longhu Xicheng Tianjie
No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu
Sichuan Province, People's Republic of China, 610036
Tel: +86-028-86762596**
(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Ticker Symbol(s)	Name of Each Exchange on Which Registered
Class A Ordinary Shares, par value \$0.09 per share	MAAS	Nasdaq Global Market

Securities registered or to be registered pursuant to Section 12(g) of the Act:

N/A

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or ordinary shares as of the close of the period covered by the annual report:

15,917,241 ordinary shares issued and outstanding, par value \$0.09 per share, as of June 30, 2025, including 9,250,573 Class A ordinary shares and 6,666,668 Class B ordinary shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer Accelerated filer
 Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

Table of Contents

	Page No.
INTRODUCTION	ii
FORWARD-LOOKING STATEMENTS	v
PART I	1
ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	1
ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE	1
ITEM 3. KEY INFORMATION	1
ITEM 4. INFORMATION ON OUR GROUP	48
ITEM 4A. UNRESOLVED STAFF COMMENTS	112
ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS	112
ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	136
ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	144
ITEM 8. FINANCIAL INFORMATION	146
ITEM 9. THE OFFER AND LISTING	148
ITEM 10. ADDITIONAL INFORMATION	148
ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	159
ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	160
PART II	161
ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	161
ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	161
ITEM 15. CONTROLS AND PROCEDURES	162
ITEM 16. [RESERVED]	163
ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT	163
ITEM 16B. CODE OF ETHICS	163
ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES	163
ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	163
ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	163
ITEM 16F. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT	164
ITEM 16G. CORPORATE GOVERNANCE	165
ITEM 16H. MINE SAFETY DISCLOSURE	166
ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	166
ITEM 16J. INSIDER TRADING POLICIES	166
ITEM 16K. CYBERSECURITY	166
PART III	168
ITEM 17. FINANCIAL STATEMENTS	168
ITEM 18. FINANCIAL STATEMENTS	168
ITEM 19. EXHIBITS	168

INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

- “ADS(s)” refers to the American depositary share(s); on April 14, 2025, we implemented an ADS ratio change from the previous ratio of two (2) ADSs to three (3) Class A ordinary shares to a ratio of one (1) ADS to ninety (90) Class A ordinary shares; and “ADRs” refer to the American depositary receipts that previously evidenced our ADSs; on June 23, 2025 we implemented a substitution listing whereby all ADSs were exchanged into our company’s Class A ordinary shares, and our ADR facility was terminated;
- “assets under management” or “AUM” refers to the net asset value of funds we manage under our asset management services, for which we are entitled to management fees and performance-based carried interest;
- “China” or “PRC” refers to the People’s Republic of China, including Hong Kong Special Administrative Region of the PRC and Macao Special Administrative Region of the PRC (“Hong Kong” and “Macao”, respectively), and only when this annual report refers to specific laws and regulations adopted by the PRC, reference to “China” or the “PRC” excludes Taiwan, Hong Kong and Macao). Unless the context otherwise indicates, the legal and operational risks associated with operating in China discussed in this annual report also apply to any operations we may now or in the future carry out in Hong Kong or Macao;
- “provinces” of China refer to the 23 provinces, the four municipalities directly administered by the central government (Beijing, Shanghai, Tianjin and Chongqing), the five autonomous regions (Xinjiang, Tibet, Inner Mongolia, Ningxia and Guangxi), excluding, solely for the purpose of this annual report, Taiwan, Hong Kong and Macao;
- “emerging middle class population” refers to individuals in China with investable assets of between RMB30,000 and RMB600,000;
- “FoF(s)” refers to fund(s) of funds;
- “MOFCOM” refers to the Ministry of Commerce of the PRC;
- “affluent population” refers to individuals in China with investable assets of between RMB600,000 and RMB6 million;
- “Ordinary Shares” refers to our Class A ordinary shares and Class B ordinary shares, as the context requires. For purposes of this annual report and unless the context otherwise requires:
 - References to “ordinary shares” for periods on or after June 23, 2025 refer to our Class A ordinary shares of a nominal or par value of US\$0.09 per share, and our Class B ordinary shares of a nominal or par value of US\$0.09 per share.
 - References to “ordinary shares” for the period from October 31, 2024 to June 23, 2025 refer to our Class A ordinary shares of a nominal or par value of US\$0.001 per share, and our Class B ordinary shares of a nominal or par value of US\$0.001 per share, with all such share numbers presented on a post-Reverse Share Split basis.

- References to “ordinary shares” for periods prior to October 31, 2024 refer to our then-authorized ordinary shares of a nominal or par value of US\$0.001 per share (which were re-designated as Class A ordinary shares on October 31, 2024), with all such share numbers presented on a post-Reverse Share Split basis.
- References to “AIFU’s ordinary shares” for periods prior to October 31, 2024 refer to its then-authorized ordinary shares of a nominal or par value of US\$0.001 per share (which were re-designated as Class A ordinary shares on October 31, 2024).
- “our WFOEs” refer to Puyi Enterprises Management Consulting Co., Ltd., or Puyi Consulting (普益企业管理咨询有限公司), Fanhua Insurance Sales Service Group Company Limited or Fanhua Group Company (泛华保险销售服务集团有限公司) and Beijing Fanlian Investment Co., Ltd. or Fanlian Investment (北京泛联投资有限公司). Puyi Consulting and Fanlian Investment were disposed of in September 2025;
- “Maase’s Former WFOE” refers to Puyi Consulting;
- “AIFU’s WFOEs” refer to Fanhua Group Company and Fanlian Investment;
- “QDII” refers to Qualified Domestic Institutional Investor;
- “RMB” and “Renminbi” refer to the legal currency of China;
- “SAFE” refers to the State Administration of Foreign Exchange of China;
- “transaction value” refers to the aggregate value of the wealth management products we distribute through our wealth management business during a given period;
- “HK\$” and “HK dollars” refer to the legal currency of Hong Kong;
- “US\$,” “U.S. dollars,” “\$” and “dollars” refer to the legal currency of the United States;
- “we,” “us,” “our company,” “the Company,” “our” “MAAS” or “Maase” refers to Maase Inc., formerly known as Puyi Inc. and Highest Performances Holdings Inc., and its subsidiaries and, in the context of describing its operations and consolidated financial information, its variable interest entities which are its consolidated affiliated entities, if applicable. As described elsewhere in this annual report, we do not own the VIEs, and the results of the VIEs’ operations only accrue to us through contractual arrangements between the VIEs, the VIEs’ nominee shareholders, and certain of our subsidiaries. Accordingly, in appropriate contexts we will describe the VIEs’ activities separately from those of our directly and indirectly owned subsidiaries, and our use of the terms “we,” “us,” and “our” may not include the VIEs in those contexts;
- “the consolidated VIEs” refer to Chengdu Puyi Bohui Information Technology Co., Ltd., or Puyi Bohui (成都普益博汇信息技术有限公司), Shenzhen Xinbao Investment Management Co., Ltd., or Xinbao Investment (深圳新保投资管理有限公司), Fanhua RONS (Beijing) Technologies Co., Ltd., or RONS Technologies (泛华榕数(北京)科技有限公司) and their respective subsidiaries, all of which were consolidated in the financial statements of Maase Inc. in the reporting periods of this annual report, the primary beneficiary through the contractual arrangements, in accordance with U.S. GAAP;
- “Maase’s Former VIE” refer to Puyi Bohui;
- “Maase’s Former VIEs” refer to Puyi Bohui and its subsidiaries, all of which have been disposed of in September 2025.

- “AIFU’s Former VIEs” refer to Xinbao Investment, RONS Technologies and their respective subsidiaries, all of which have been transferred to BGM Group Ltd. (“BGM”) in a share exchange transaction with BGM on December 27, 2024; and
- “customer” refers to policyholders or investors who have purchased products through us. The products are produced by our insurance company partners or fund managers that we define as customers under ASC 606

Our reporting currency is Renminbi. This annual report contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this annual report is based on the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB7.1636 to US\$1.00, the exchange rate on June 30, 2025 set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade.

- On October 31, 2024, we amended our memorandum and articles of association to (i) reclassify our authorized share capital consisting of 4,000,000,000 Class A ordinary shares and 1,000,000,000 Class B ordinary shares, each with a par value of US\$0.001, and (ii) re-designate all then existing authorized and issued ordinary shares as Class A ordinary shares.
- On April 14, 2025, we adjusted the ADS ratio from 2 ADSs representing 3 Class A ordinary shares to 1 ADS representing 90 Class A ordinary shares.
- On June 20, 2025, we terminated the American depositary receipt facility for our ADSs and ceased the listing of the ADSs on Nasdaq. Immediately following the termination of the ADS program, we implemented a 1-for-90 reverse stock split (the “Share Consolidation”), pursuant to which every ninety (90) issued and authorized Class A ordinary shares and Class B ordinary shares of a par value of US\$0.001 each were consolidated into one (1) Class A ordinary shares or Class B ordinary share, respectively, with a par value of US\$0.09 per share. On June 23, 2025, our Class A ordinary shares commenced trading on Nasdaq on a post-Share Consolidation basis in substitution for the ADSs, under the same symbol “MAAS.” All share and per share information presented in this annual report for all periods has been retrospectively adjusted to reflect the Share Consolidation, unless otherwise stated. For additional clarity, certain figures may also be presented on a pre-consolidation basis followed by their post-consolidation equivalent in parentheses.
- On June 23, 2025, our authorized share capital was increased to \$450,000,000 divided into 5,000,000,000 shares, consisting of 4,000,000,000 Class A ordinary shares and 1,000,000,000 Class B ordinary shares, each with a par value of \$0.09, effective upon the completion of the Share Consolidation.

FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. Known and unknown risks, uncertainties and other factors, including those listed under “Risk Factors,” may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements relate to, among others:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the industries in which we operate;
- our expectations regarding demand for and market acceptance of the products and services we distribute, manage or offer;
- our expectations regarding keeping and strengthening our relationships with product providers;
- relevant government policies and regulations relating to the industries in which we operate;
- our ability to attract and retain qualified employees;
- our ability to stay abreast of market trends and technological advances;
- our plans to invest in research and development to enhance our product choices and service offerings;
- competition in the industries in which we operate;
- general economic and business conditions in China and internationally;
- other conditions affecting our business, including geopolitical events, trade tensions, natural disasters, health epidemics and other developments beyond our control;
- our ability to obtain certain licenses and permits necessary to operate and expand our businesses; and
- our ability to effectively protect our intellectual property rights and not infringe on the intellectual property rights of others.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable

ITEM 3. KEY INFORMATION

Our Corporate Structure and Historical Contractual Arrangements with the Consolidated VIEs and Their Respective Individual Shareholders

Maase is not an operating company but a Cayman Islands holding company with operations primarily conducted by its subsidiaries and, historically, by the consolidated VIEs based in China through contractual arrangements. Because we are an exempted company incorporated in the Cayman Islands, we are classified as a foreign enterprise under PRC laws and regulations, and our wholly-owned PRC subsidiaries are foreign-invested enterprises, or the subsidiaries of the foreign-invested enterprises. PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of PRC companies engaging in wealth and asset management businesses when our group was established. Such prohibitions and restrictions were removed from the Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Edition). Due to the aforementioned restrictions when our group was established, historically we operated a significant part of our wealth management business through contractual arrangements between Maase's Former VIEs and Maase's Former WFOE. Due to certain restrictions imposed by PRC laws and regulations on foreign ownership in certain internet-based businesses, AIFU, in which we held 27.98% equity interests and 50.47% voting power as of June 30, 2025, also historically operated its internet business through contractual arrangements between AIFU's Former VIEs and AIFU's WFOEs.

Historically, we relied on the contractual arrangements with the consolidated VIEs for our wealth management business operations and internet insurance distribution business operations. A series of contractual agreements, including an exclusive option agreement, an exclusive technical and consulting service agreement, an equity interest pledge agreement, a spousal consent letter and a power of attorney, were entered into by and among Puyi Consulting, Puyi Bohui and its nominee shareholder ("Maase's Contractual Arrangements"). Similar contractual agreements were also entered into by and among Fanhua Group Company, Xinbao Investment, Xinbao Investment's subsidiaries and its nominee shareholder, and by and among Fanlian Investment, RONS Technologies, RONS Technologies' subsidiaries and its nominee shareholder ("AIFU's Contractual Arrangements"). These contractual agreements enabled us to (i) have power to direct the activities that most significantly affect the economic performance of the consolidated VIEs; (ii) receive substantially all of the economic benefits from the consolidated VIEs; and (iii) have an exclusive option to purchase all the equity interests in the consolidated VIEs when and to the extent permitted by PRC laws. As a result, we were considered the primary beneficiary of the consolidated VIEs for accounting purposes. Accordingly, we have consolidated the financial results of the consolidated VIEs in our consolidated financial statements in accordance with U.S. GAAP.

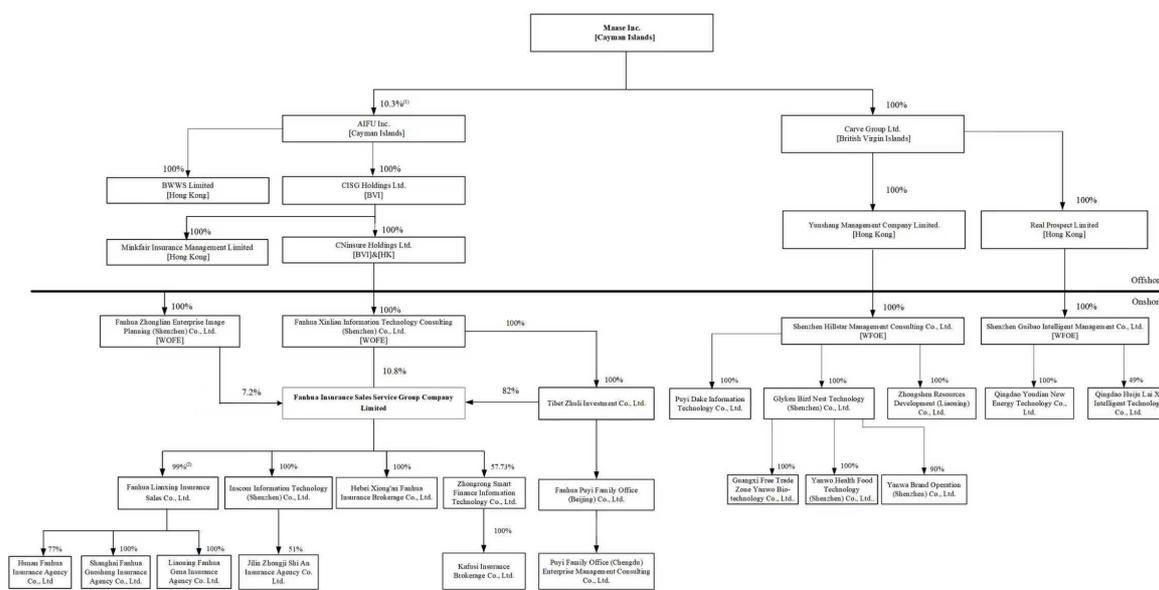
In December 2024, as part of the share exchange transaction with BGM Group Ltd. ("BGM"), AIFU's beneficial ownership in Xinbao Investment and RONS Technologies was transferred to BGM in exchange of shares of BGM ("Share Exchange"). AIFU's Contractual Arrangements were subsequently terminated. In September 2025, we disposed of 100% of the equity interests in Puyi Group Limited ("Puyi Group") as a result of which the financial results of Puyi Group and all its subsidiaries and consolidated affiliated entities, including Maase's Former VIEs, are no longer consolidated into our financial statements.

Upon completion of the disposal, Maase's Contractual Arrangements were also terminated. For further details on the transactions, please refer to "Item 4. Information on Our Group - A. History and Development of our Group - Major Transactions".

As of the date of this annual report, our operations in China are conducted by our subsidiaries based in China and we do not have any VIE structure.

We face various legal and operational risks and uncertainties related to being based in and having the majority of our operations in China, including Hong Kong. The PRC government has significant authority to regulate, or exert influence on the ability of a company based in China, such as us, to conduct its business, accept foreign investments or list on the U.S. or other foreign exchanges. We face potential risks associated with regulatory approvals of offshore future offerings, oversight on cybersecurity and data privacy, and the expanding efforts in anti-monopoly enforcement. For example, recent regulatory actions undertaken by the PRC government, including the recent enactment of China’s new Data Security Law, the Measures for Cyber Security Review, Personal Information Protection Law, Interim Administrative Measures on Overseas Offering and Listing of Securities by Domestic Companies with six Guidelines on Application of Regulatory Rules and any other future laws and regulations may require us to incur significant expenses and could materially affect our ability to conduct our business, accept foreign investments, or carry out future offering and listing of securities on the U.S. or other foreign exchanges. These risks could result in a material adverse change in our operations and the value of our shares, significantly limit or completely hinder our future offering of securities to investors, or cause such securities to significantly decline in value or become worthless. For a detailed description of risks related to doing business in China, see “—D. Risk Factors—Risks Related to Doing Business in China.”

The following diagram illustrates the corporate structure of us and significant subsidiaries, including the names, places of incorporation and the proportion of ownership interests in our subsidiaries as of the date of this annual report:



(1) Representing 48.5% of the voting power in AIFU Inc.
 (2) The remaining 1% is owned by Xianlin Information.

For a complete list of our subsidiaries as of the date of this annual report, see Exhibit 8.1 to this annual report.

Transfer of Funds and Other Assets between Us, Our Subsidiaries and the Consolidated VIEs

The typical structure of cash flows through our organization is as follows: (i) our PRC subsidiaries receive funds from Maase through either capital contributions or loans; (ii) our PRC subsidiaries make loans to the consolidated VIEs; (iii) the consolidated VIEs receive funds generated from sales of products and/or services to third-party customers as well as to Maase and its subsidiaries; and (iv) the consolidated VIEs pay service fees to our PRC subsidiaries pursuant to the exclusive technical and consulting services agreement, technology consulting and service agreements, and our PRC subsidiaries transfer funds to our non-PRC subsidiaries, and finally to Maase, all through distributions, dividends or repayment of shareholder loans. As of the date of this annual report, none of our subsidiaries and the consolidated VIEs has declared or paid any dividends or made any distributions to their respective holding companies, including Maase, nor does any of them have intention to do so, except that AIFU's mainland China subsidiaries have previously declared and paid dividends to its Hong Kong subsidiaries and AIFU itself has previously paid dividends to its shareholders on a quarterly basis prior to the acquisition. As of the date of this annual report, Maase has not declared any dividend and does not have a plan to declare a dividend to its shareholders. No cash has been transferred to our investors. We currently do not have cash management policies that dictate how funds are transferred between us, our subsidiaries and the consolidated VIEs. For details regarding the cash transfer between us, our subsidiaries and the consolidated VIEs, see “—Financial Information Related to the Consolidated VIEs” and “Item 4. Information on Our Group—B. Business Overview—Cash Flows among Us, Our Subsidiaries and the Consolidated VIEs.”

There are limitations on our ability to transfer cash between us, our subsidiaries and the consolidated VIEs, and there is no assurance that China's government will not intervene or impose restrictions on the ability of us, our subsidiaries and the consolidated VIEs to transfer cash. Most of our cash is in Renminbi, and the PRC government could prevent the cash maintained from leaving the PRC, restrict deployment of the cash into our, our subsidiaries' and the consolidated VIEs' business and restrict the ability to pay dividends. For details regarding the restrictions on our ability to transfer cash between us, our subsidiaries and the consolidated VIEs, see “—D. Risk Factors—Risks Related to Doing Business in China—Governmental control of conversion of Renminbi into foreign currencies may limit our ability to utilize our revenues effectively and affect our operations and the value of your investment.”

Financial Information Related to the Consolidated VIEs

The following tables present the summary consolidated balance sheets data as of June 30, 2024 and 2025 and the summary of the consolidated statement of operations and cash flows for the fiscal years ended June 30, 2023, 2024 and 2025 for the parent, the consolidated VIEs, the WFOEs and an aggregation of other subsidiaries, eliminating intercompany amounts and consolidated totals (in thousands of RMB). Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our and the consolidated VIEs' historical results are not necessarily indicative of results expected for future periods. You should read this information together with our consolidated financial statements and the related notes and “Item 5. Operating and Financial Review and Prospects” included elsewhere in this annual report.

In these tables, “parent” refers to Maase, the Nasdaq listed company which is a Cayman exempted company. “VIEs” in fiscal year ended June 30, 2024 refer to Puyi Bohui, Xinbao Investment, RONS Technologies and their respective subsidiaries while “VIEs” in fiscal year ended June 30, 2025 refer to Puyi Bohui and its subsidiaries only. “WFOEs” refer to Puyi Consulting, Fanhua Group Company and Fanlian Investment. For a complete list of our subsidiaries as of the date of this annual report, see Exhibit 8.1 to this annual report.

As of June 30, 2025

	Parent	Consolidated VIEs	WFOEs	Other Subsidiaries	Eliminating adjustments	Consolidated total
Assets						
Cash and cash equivalents	243	1,740	1,335	78,786	-	82,104
Restricted cash	-	3,864	-	19,347	-	23,211
Short term investments	4,255	-	-	543,846	-	548,101
Accounts receivable, net	-	10,722	20	82,024	-	92,766
Contract assets, net	-	-	-	821,742	-	821,742
Other receivables and loan receivables, net	29,436	37,054	38,352	1,133,987	-	1,238,829
Amounts due from internal companies	928	57,130	34,091	36,367	(128,516)	-
Investments in subsidiaries and the VIEs	664,105	-	-	-	(664,105)	-
Investments in affiliates	-	-	-	-	-	-
Right-of-use assets	-	3,642	247	58,069	-	61,958
Deferred tax assets	-	-	-	9,407	-	9,407
Property, plant, and equipment, net	-	87	11	70,432	-	70,530
Other non-current assets	-	948	-	391,616	-	392,564
Intangible assets, net	-	846	-	-	-	846
Other current assets	430	3,566	100	19,823	-	23,919
Total assets	699,397	119,599	74,156	3,265,446	(792,621)	3,365,977
Liabilities						
Short-term loan	-	-	-	82,050	-	82,050
Accounts payable	-	1,768	48	114,966	(117)	116,665
Accrued commissions	-	-	-	439,404	-	439,404
Other payables and accrued expenses	4,956	1,200	442	148,955	-	155,553
Amounts due to internal companies	10,415	26,182	42,130	49,780	(128,507)	-
Income taxes payable	-	-	-	77,305	-	77,305
Deferred tax liabilities	-	-	-	204,310	-	204,310
Operating lease liabilities	-	3,770	134	55,291	-	59,195
Accrued payroll	-	1,938	354	10,901	-	13,193
Other liabilities	-	4,300	160	25,734	-	30,194
Total liabilities	15,371	39,158	43,268	1,208,696	(128,624)	1,177,869
Mezzanine equity	47,935	-	-	-	-	47,935
Total net assets	636,091	80,441	30,888	2,056,750	(663,997)	2,140,173

As of June 30, 2024

	Parent	Consolidated VIEs	WFOEs	Other Subsidiaries	Eliminating adjustments	Consolidated total
Assets						
Cash and cash equivalents	11,792	41,817	58,336	108,341	-	220,286
Restricted cash	-	18,213	-	54,963	-	73,176
Short term investments	-	3,312	28,734	541,857	-	573,903
Accounts receivable, net	-	32,628	855	154,689	-	188,172
Contract assets, net	-	9,040	-	1,041,061	-	1,050,101
Other receivables and loan receivables, net	-	2,134	775,036	20,257	-	797,427
Amounts due from internal companies	1,210	193,180	799,110	3,726,913	(4,720,413)	-
Investments in subsidiaries and the VIEs	1,318,077	-	1,653,071	3,113,741	(6,084,889)	-
Investments in affiliates	-	-	-	8,517	-	8,517
Right-of-use assets	-	8,396	16,119	80,686	-	105,201
Deferred tax assets	-	1,000	-	29,250	-	30,250
Property, plant, and equipment, net	-	1,897	600	77,084	-	79,581
Other non-current assets	-	32,395	123,376	63,061	-	218,832
Intangible assets, net	-	11,843	-	405,724	-	417,567
Other assets	-	68,670	1,067	85,754	-	155,491
Assets of discontinued operations	-	-	-	359,374	-	359,374
Total assets	1,331,079	424,525	3,456,304	9,871,272	(10,805,302)	4,277,878
Liabilities						
Short-term loan	-	-	-	98,375	-	98,375
Accounts payable	-	5,053	202	189,103	-	194,358
Accrued commissions	-	2,303	-	554,247	-	556,550
Other payables and accrued expenses	-	4,175	1,815	164,321	-	170,311
Amounts due to internal companies	-	138,635	2,244,750	2,396,305	(4,779,690)	-
Income taxes payable	-	7,132	852	80,956	-	88,940
Deferred tax liabilities	-	4,317	12	231,190	-	235,519
Operating lease liability	-	8,273	17,756	75,098	-	101,127
Accrued payroll	163	6,242	1,624	22,084	-	30,113
Other liabilities	-	44,353	33,082	7,886	-	85,321
Liabilities of discontinued operations	-	-	-	77,556	-	77,556
Total liabilities	163	220,483	2,300,093	3,897,121	(4,779,690)	1,638,170
Mezzanine equity	45,794	-	-	-	-	45,794
Total net assets	1,285,122	204,042	1,156,211	5,974,151	(6,025,612)	2,593,914

For the year ended June 30, 2025

	Parent	Consolidated VIEs	WFOEs	Other subsidiaries	Eliminating adjustments (1)	Consolidated total
Total net revenues	-	146,160	168	707,748	(72,860)	781,216
Third-party revenues	-	116,343	(81)	664,954	-	781,216
Intra-Group revenues	-	29,817	249	42,794	(72,860)	-
Total operating costs and expenses	(7,292)	(167,203)	(21,997)	(907,627)	72,860	(1,031,259)
Third-party operating costs and expenses	(7,292)	(124,660)	(21,997)	(877,310)	-	(1,031,259)
Intra-Group operating costs and expenses	-	(42,543)	-	(30,317)	72,860	-
Impairment loss	-	-	-	(441,298)	-	(441,298)
Loss from operations	(7,292)	(21,043)	(21,829)	(641,177)	-	(691,341)
Interest income, net	149	1,533	12,638	13,977	-	28,297
Investment income related to the realized gain on available-for-sale investments	-	438	21,914	5,150	-	27,502
Derecognition of a contingent consideration	-	-	-	(22,267)	-	(22,267)
Net income (loss) from fair value change	-	152	-	(431)	-	(279)
Others, net	(14,747)	5,026	(131,484)	(450,471)	-	(591,676)
Gain (loss) on disposal of subsidiaries	-	-	619	896,779	-	897,398
Share of (loss) income from subsidiaries and the VIEs	(174,073)	-	(83,515)	479,282	(221,694)	-
Share of loss of affiliates	-	-	-	(3,834)	-	(3,834)
Income tax benefit (expense)	-	9,556	100	9,986	-	19,642
Net (loss) income from continuing operations	(195,963)	(4,338)	(201,557)	286,994	(221,694)	(336,558)
Net loss from discontinued operations, net of tax	-	-	-	(122,344)	-	(122,344)
Net (loss) income	(195,963)	(4,338)	(201,557)	164,650	(221,694)	(458,902)

For the year ended June 30, 2024

	Parent	Consolidated VIEs	WFOEs	Other subsidiaries	Eliminating adjustments (1)	Consolidated total
Total net revenues	-	144,024	16,562	892,023	(89,397)	963,212
Third-party revenues	-	118,737	5,589	838,886	-	963,212
Intra-Group revenues	-	25,287	10,973	53,137	(89,397)	-
Total operating costs and expenses	(5,759)	(170,787)	(30,691)	(840,899)	47,873	(1,000,263)
Third-party operating costs and expenses	(5,759)	(110,968)	(26,930)	(856,606)	-	(1,000,263)
Intra-Group operating costs and expenses	-	(59,819)	(3,761)	15,707	47,873	-
Impairment loss	-	-	-	(426,410)	-	(426,410)
Loss from operations	(5,759)	(26,763)	(14,129)	(375,286)	(41,524)	(463,461)
Interest income, net	518	2,969	12,232	532	-	16,251
Investment income related to the realized gain on available-for-sale investments	-	2,226	4,613	15,177	-	22,016
Net loss from fair value change	-	-	-	(73,761)	-	(73,761)
Others, net	163	297	(6,162)	3,553	-	(2,149)
Share of (loss) income from subsidiaries and the VIEs	(284,592)	-	95,842	-	188,750	-
Share of loss of affiliates	-	-	-	(1,218)	-	(1,218)
Income tax benefit (expense)	-	(15,767)	4	2,237	-	(13,526)
Net (loss) income from continuing operations	(289,670)	(37,038)	92,400	(428,766)	147,226	(515,848)
Net income from discontinued operations, net of tax	-	-	-	3,777	-	3,777
Net (loss) income	(289,670)	(37,038)	92,400	(424,989)	147,226	(512,071)

For the year ended June 30, 2023

	Parent	Consolidated VIEs	WFOEs	Other subsidiaries	Eliminating adjustments	Consolidated total
Total net revenues	-	87,728	40,582	705	(14,575)	114,440
Third-party revenues	-	87,728	26,007	705	-	114,440
Intra-Group revenues	-	-	14,575	-	(14,575)	-
Total operating costs and expenses	(2,084)	(126,620)	(58,819)	(1,233)	15,512	(173,244)
Third-party operating costs and expenses	(2,084)	(111,108)	(58,819)	(1,233)	-	(173,244)
Intra-Group operating costs and expenses	-	(15,512)	-	-	15,512	-
(Loss) income from operations	(2,084)	(38,892)	(18,237)	(528)	937	(58,804)
Interest income, net	129	5,037	3,415	10	-	8,591
Investment income related to the realized gain on available-for-sale investments	-	13,561	-	-	-	13,561
Others, net	157	560	1,880	-	(937)	1,660
Income tax expenses	(8)	(3,307)	(5,270)	-	-	(8,585)
Share of income of affiliates	(41,771)	-	-	-	41,771	-
Net (loss) income	(43,577)	(23,041)	(18,212)	(518)	41,771	(43,577)

Note (1): The elimination mainly represents (i) the intercompany service fee related to agency services for distributing life insurance products and non-life insurance products on behalf of insurance companies provide by consolidated affiliated entities to subsidiaries and (ii) the intercompany service fee related to technology services provided by our consolidated variable interest entities to our subsidiaries.

For the year ended June 30, 2025

	Parent	Consolidated VIEs	WFOEs	Other Subsidiaries	Eliminating adjustments	Consolidated total
Net Cash flows (used in) generated from operating activities:	(5,760)	(4,413)	4,830	87,220	(10,410)	71,467
Loans to group companies	-	(36,931)	(151,997)	(217,503)	406,431	-
Repayments from Group Companies	-	54,952	106,167	152,669	(313,788)	-
Investment in entities within the Group	(4,489)	(1,389)	-	5,878	-	-
Other investing activities	(4,258)	(58,865)	(48,301)	(215,675)	-	(327,099)
Net cash generated from (used in) investing activities:	(8,747)	(42,233)	(94,131)	(274,631)	92,643	(327,099)
Loans to group companies	-	162,955	217,776	25,700	(406,431)	-
Repayments from Group Companies	-	(130,580)	(171,048)	(12,160)	313,788	-
Proceeds from group capital contribution	-	-	-	-	-	-
Other financing activities	3,001	-	-	(17,190)	-	(14,189)
Net cash generated from (used in) financing activities:	3,001	32,375	46,728	(3,650)	(92,643)	(14,189)

For the year ended June 30, 2024

	Parent	Consolidated VIEs	WFOEs	Other subsidiaries	Eliminating adjustments	Consolidated total
Net Cash flows (used in) generated from operating activities:	(5,310)	(69,861)	80,480	52,425	-	57,734
Loans to group companies	-	(99,980)	(1,108,064)	(455,348)	1,663,392	-
Repayments from Group Companies	-	95,150	1,069,803	974,626	(2,139,579)	-
Investment in entities within the Group	-	20,491	-	(20,491)	-	-
Other investing activities	-	28,752	(716,210)	921,618	-	234,160
Net cash generated from (used in) investing activities:	-	44,413	(754,471)	1,420,405	(476,187)	234,160
Loans to group companies	-	58,090	519,549	1,085,753	(1,663,392)	-
Repayments from Group Companies	-	(78,227)	(1,060,271)	(1,001,081)	2,139,579	-
Other financing activities	14,317	-	-	(101,158)	-	(86,841)
Net cash generated from (used in) financing activities:	14,317	(20,137)	(540,722)	(16,486)	476,187	(86,841)

For the year ended June 30, 2023

	Parent	Consolidated VIEs and their subsidiaries	WFOEs	Other Subsidiaries	Eliminating Adjustments	Consolidated Total
Net Cash flows (used in) generated from operating activities:	(2,735)	(54,828)	32,076	124	-	(25,363)
Net cash (used in) provided by transactions with external parties	-	(99,386)	(19,927)	-	119,313	-
Net cash (used in) provided by transactions with internal companies	-	67,346	16,755	-	(84,101)	-
Investment in entities within the Group	(6,952)	-	-	(6,952)	13,904	-
Other investing activities	-	23,947	(28,933)	-	-	(4,986)
Net Cash flows (used in) generated from investing activities:	(6,952)	(8,093)	(32,105)	(6,952)	49,116	(4,986)
Loans to group companies	-	19,927	99,386	-	(119,313)	-
Repayments from Group Companies	-	(16,755)	(67,346)	-	84,101	-
Proceeds from group capital contribution	-	-	6,952	6,952	(13,904)	-
Net Cash flows generated from (used in) financing activities:	-	3,172	38,992	6,952	(49,116)	-

Filing Procedures Required from the PRC Authorities for Offering Securities to Foreign Investors

Under applicable laws of mainland China, we and our mainland China subsidiaries may be required to complete certain filing procedures with the China Securities Regulatory Commission, or the CSRC, in connection with future offering and listing in an overseas market, including our shelf offerings, follow-on offerings, issuance of convertible bonds, offshore relisting after going-private transactions, and other equivalent offering activities. If we fail to complete such filing procedures for any future offshore offering or listing, including our shelf offerings, follow-on offerings, issuance of convertible bonds, offshore relisting after going-private transactions, and other equivalent offering activities, we may face sanctions by the CSRC or other mainland China regulatory authorities, which may include fines and penalties on our operations in mainland China, limitations on our operating privileges in mainland China, restrictions on or delays to our future financing transactions offshore, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our Class A ordinary shares. In addition, we are required to file a report to the CSRC after the occurrence and public disclosure of certain material corporate events, including but not limited to, change of control and voluntary or mandatory delisting. As of this annual report, we have completed filing procedures for i) the share exchange transaction with certain shareholders of AIFU, ii) share issuance to New Dragon Group (Far East) Limited, iii) issuance of Class B ordinary shares to Moonlit Group Ltd. and Equality Group Ltd., iv) private placement and warrant offering to certain investors; v) the share exchange transaction with former shareholders of Carve Group Ltd. and vi) the share exchange transaction with former shareholders of Real Prospect Limited.

Implication of The Holding Foreign Companies Accountable Act (the “HFCA Act”)

Pursuant to the Holding Foreign Companies Accountable Act, which was enacted on December 18, 2020 and further amended by the Consolidated Appropriations Act, 2023 signed into law on December 29, 2022, or the HFCA Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the Public Company Accounting Oversight Board, or the PCAOB, for two consecutive years, the SEC shall prohibit our shares or Class A ordinary shares from being traded on a national securities exchange or in the over-the-counter trading market in the United States. Trading in our securities on U.S. markets, including the Nasdaq Global Market, will be prohibited under the HFCA Act if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years.

On December 16, 2021, the PCAOB issued the HFCA Act Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, or the 2021 Determinations, including our auditor. On December 29, 2022, the Consolidated Appropriations Act, 2023 was signed into law, which, among others, amended the HFCA Act to reduce the number of consecutive years an issuer can be identified as a Commission-Identified Issuer before the SEC must impose an initial trading prohibition on the issuer’s securities from three years to two. Therefore, once an issuer is identified as a Commission-Identified Issuer for two consecutive years, the SEC is required under the HFCA Act to prohibit the trading of the issuer’s securities on a national securities exchange and in the over-the-counter market.

Our current auditor, Enrome LLP which replaced Deloitte Touche Tohmatsu Certified Public Accountants LLP on January 23, 2025, is headquartered in Singapore and subject to inspection by the PCAOB. Our current auditor was not among the PCAOB-registered public accounting firms headquartered in mainland China or Hong Kong that were subject to 2021 Determinations. As a result, we do not believe we are at risk of having our securities subject to a trading prohibition under the HFCA Act unless a new determination is made by the PCAOB.

On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it was unable to inspect or investigate completely registered public accounting firms.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCA Act. Any audit reports not issued by auditors that are completely inspected or investigated by the PCAOB, or a lack of PCAOB inspections of audit work undertaken in mainland China and Hong Kong that prevents the PCAOB from regularly evaluating our auditor’s audits and their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are adequate and accurate, which could result in limitation or restriction to our access to the U.S. capital markets and trading of our securities.

For details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—If the PCAOB determines in the future that it is unable to inspect and investigate completely our auditor, or the PCAOB expands the scope of its determination so that we are subject to the HFCA Act, we and our investors may be deprived with the benefits of such inspections, which could cause investors and potential investors in the Class A ordinary shares to lose confidence in the audit procedures and reported financial information and the quality of our financial statements.”; and “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our Shares may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely our auditors. The delisting of our Class A ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Summary of Risk Factors

Below please find a summary of the principal risks we, our subsidiaries and the consolidated VIEs face. For a detailed description of the risk factors we, our subsidiaries and the VIEs face, see “—D. Risk Factors.”

Risks Related to Our Business and Industry

We are subject to risks and uncertainties related to our business and industry, including but not limited to the following:

- We have significantly altered our strategic direction, which involves new risks and may not be successful.
- If and when the contracts entered into between AIFU’s subsidiaries and insurance companies are suspended or changed, our business and operating results will be materially and adversely affected;
- If we fail to maintain or renew existing licenses or to obtain additional licenses and permits necessary to conduct our operations in China pursuant to applicable laws and regulations from time to time governing our operations, we may be subject to limitations or uncertainties with respect to our business activities and render our operations non-compliant, and our business would be materially and adversely affected;
- Material changes in the regulatory environment could change the competitive landscape of our industry or require us to change the way we do business. Our business and results of operations could be materially and negatively impacted if we are unable to adapt our services to regulatory changes in China;
- The wealth management products that we distributed involve various risks and our failure to identify or fully appreciate such risks will negatively affect our reputation, client relationships, operations and prospects;
- If we fail to recruit and retain productive agents, our business could suffer;
- A decline in the investment performance of products distributed or managed by us could negatively impact our revenues and profitability;
- Any material decrease in the commission or fee rates for our services may have an adverse effect on our revenues, cash flow and results of operations;
- We depend on a small number of third-party product providers to derive a substantial portion of our net revenues and this dependence is likely to continue;
- Our risk management policies and procedures may not be fully effective in identifying or mitigating risk exposure in all market environments or against all types of risk, including errors or misconduct by employees, financial advisors, shareholders or third parties.

Risks Related to Our Corporate Structure

We are also subject to risks and uncertainties related to our corporate structure, including but not limited to the following:

- If the PRC government finds that the historical contractual arrangements that established the structure for operating our former businesses in China did not comply with PRC regulations, or if these regulations or the interpretation of existing regulations were to change in the future and be applied retroactively, we could be subject to severe penalties or be forced to relinquish the historical economic benefits we derived from those operations.
- If we were deemed to be an investment company under the Investment Company Act of 1940, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and the price of our ordinary shares.

Risks Related to Doing Business in China

We face risks and uncertainties related to doing business in China in general, including but not limited to the following:

- The approval of and filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings, capital raising activities and acquisitions or other trading arrangements of domestic enterprises conducted by China-based issuers, we must file with the CSRC within three business days after the issuance, and also may be required to go through cybersecurity review under the new laws and the draft laws and regulations of mainland China, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing or other regulatory procedures;
- Adverse changes in the political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could adversely affect our business;
- Fluctuations in exchange rates may have a material adverse effect on your investment;
- Governmental control of conversion of Renminbi into foreign currencies may limit our ability to utilize our revenues effectively and affect our operations and the value of your investment;
- PRC regulations relating to the establishment of offshore special purpose companies by PRC residents and filing requirements for overseas securities offering by offshore special purpose companies established by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase its registered capital or distribute profits to us, or may otherwise adversely affect us;
- We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business;
- PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of conversion of foreign currencies into Renminbi may delay or prevent us from using any offshore cash we may have to make loans to our PRC subsidiaries and the consolidated VIE or to make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business;
- Any failure to comply with PRC regulations regarding the registration requirements for share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions;

Risks Related to Our Ordinary Shares

We are subject to risks and uncertainties related to our ordinary shares, including but not limited to the following:

- We may be unable to comply with the applicable continued listing requirements of Nasdaq;
- The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our Class A ordinary shares;
- If the PCAOB is unable to adequately inspect our auditors as required under the Holding Foreign Companies Accountable Act, the SEC will prohibit the trading of our Class A ordinary shares. A trading prohibition may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections of our auditors deprives our investors of the benefits of such inspections, which could cause investors and potential investors in the Class A ordinary shares to lose confidence in the audit procedures and reported financial information and the quality of our financial statements;
- Our results of operations and the value of our Class A ordinary shares may be affected by geopolitical events, trade tensions and other developments beyond our control, which may in turn adversely affect the economic and market conditions in China and globally;
- The market price for our Class A ordinary shares may continue to be volatile;
- Under our dual-class share structure with different voting rights, holders of Class B ordinary shares have complete control of the outcome of matters put to a vote of shareholders, which may limit ability of holders of our Class A ordinary shares to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares may view as beneficial;
- The dual-class structure of our ordinary shares may adversely affect the trading market for our Class A ordinary shares;
- We do not expect to pay dividends in the foreseeable future and you may have to rely on price appreciation of our Class A ordinary shares for any return on your investment;
- Substantial future sales or perceived potential sales of our Class A ordinary shares in the public market could cause the price of our Class A ordinary shares to decline.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable

C. Reasons for the Offer and Use of Proceeds

Not applicable

D. Risk Factors

Risks Related to Our Business and Industry

We have significantly altered our strategic direction, which involves new risks and may not be successful.

Our strategy has recently undergone a significant evolution. During the fiscal year ended June 30, 2025, we exited the online insurance distribution business and the claim adjusting business and terminated the open platform initiative through AIFU. Subsequent to the year-end, we disposed of our wealth management business and acquired a controlling stake in Carve Group, a holding company for businesses in the wild ginseng and bird's nest biotechnology sectors and acquired a controlling stake in Real Prospect Limited, a holding company for businesses in the smart-technology sectors.

Our acquisition of Carve Group moves us into the herbal medicine resource and health product manufacturing industries, which are subject to entirely new risks, including commodity price fluctuations, climate and agricultural risks, complex supply chains, stringent food and drug regulations, and shifting consumer health trends, with which we may have limited experience.

Our acquisition of Real Prospect Limited moves us into the smart-technology industries, including mobile EV-charging robots, modular residential energy-storage systems and fully automated unmanned car-wash equipment. These new business lines are subject to risks distinct from those of our existing operations, such as commodity price volatility, evolving regulatory frameworks governing smart technologies, complex supply chains, and shifting consumer preferences toward electric vehicles and green energy solutions. We may have limited prior experience in managing these types of risks.

There is no assurance that we will successfully integrate these new businesses, manage them profitably, or realize the anticipated synergies with our existing operations. This strategic pivot may not drive growth as expected and could divert significant management attention and financial resources from our core insurance distribution business.

Future regulatory changes in any of our industries, especially the highly regulated insurance and new health products sectors, could force further strategic shifts or impose costly compliance burdens.

Our future success is largely dependent on our ability to manage this new, diversified structure effectively. The failure to execute this new strategy would have a material adverse effect on our business, financial condition, and results of operations.

If and when the contracts entered into between AIFU's subsidiaries and insurance companies are suspended or changed, our business and operating results will be materially and adversely affected.

In December 2023, we acquired a majority interest in AIFU Inc., or AIFU, a leading technology-driven financial service provider in China, through a share exchange with certain of its shareholders. As a result of this acquisition, we consolidated AIFU's financial results into our consolidated financial statements since December 31, 2023.

AIFU primarily acted as agents for insurance companies in distributing their products to retail customers. It also provided claims adjusting services principally to insurance companies until it divested its claims adjusting operations in January 2025. Its relationships with the insurance companies are governed by agreements between us and the insurance companies. AIFU's subsidiaries have entered into strategic partnership agreements with most of the major insurance companies for the distribution of life, property and casualty insurance products and the provision of claims adjusting services at the corporate headquarters level. While this approach allows AIFU and us to obtain more favorable terms from insurance companies by combining the sales volumes and service fees of all of our subsidiaries and branches operating insurance agency and claims adjusting businesses, it also means that the termination of a major contract could have a material adverse effect on our business. Under the framework of the headquarters-to-headquarters agreements, AIFU's subsidiaries and branches operating insurance agency and claims adjusting businesses generally also enter into contracts at a local level with the respective provincial, city and district branches of the insurance companies. Generally, each branch of these insurance companies has independent authority to enter into contracts with our relevant subsidiaries and branches, and the termination of a contract with one branch has no significant effect on our contracts with the other branches. See "Item 4. Information on the Company—B. Business Overview—Insurance Company Partners." These contracts establish, among other things, the scope of our authority, the pricing of the insurance products we distribute and our fee rates. These contracts typically have a term of one year, and certain contracts can be terminated by the insurance companies with little advance notice. Moreover, before or upon expiration of a contract, the insurance company that is a party to that contract may agree to renew it only with changes in material terms, including the amount of commissions and fees we receive, which could reduce our revenues to be generated from that contract.

If we fail to maintain or renew existing licenses or to obtain additional licenses and permits necessary to conduct our operations in China pursuant to applicable laws and regulations from time to time governing our operations, we may be subject to limitations or uncertainties with respect to our business activities and render our operations non-compliant, and our business would be materially and adversely affected.

We conduct our insurance agency business primarily through AIFU and its subsidiaries in China. As of the date of this annual report, AIFU's subsidiaries in China have obtained the requisite licenses and permits from the PRC government authorities that are material for operating insurance agency business in China, including, among others, the business license, insurance distribution licenses and insurance broker licenses. The business license is a permit issued by China's SAMR that allows a company to conduct specific business within the government's geographical jurisdiction. Insurance distribution licenses and insurance broker licenses are issued by the National Financial Regulatory Administration or NFRA or its predecessor, allowing enterprises to engage in insurance agency or, brokerage services, respectively. These licenses are the only permissions and approvals that our PRC subsidiaries are required to obtain to conduct insurance distribution business in China. However, there can be no assurance that we will be able to obtain, renew and/or convert all of the approvals, licenses, and permits required for our existing business operations upon their expiration in a timely manner or duly complete necessary registration or filings with the relevant governmental authorities for any of our new business.

China's wealth management marketplace is a relatively new and evolving industry, and the laws and regulations governing our services are still developing. There are substantial uncertainties as to the legal system and the interpretation and implementation of the PRC laws and regulations applicable to the wealth management industry. The PRC government has adopted a unified regulatory framework governing the distribution and management of fund products. Under the Measures for the Supervision and Administration of Distributors of Publicly Raised Securities Investment Funds which was promulgated by the China Securities Regulatory Commission (the "CSRC") on August 28, 2020 and effective on October 1, 2020 (the "Distributor Measures"), a license is required for the distribution of standardized products, including publicly raised fund products and privately raised securities investment fund products. See "Item 4. K Information on the Company — B. Business Overview — Regulations". Prior to the disposal of our wealth management operations in September 2025, Fanhua Puyi Fund Distribution Co., Ltd., the main operating entity of such business, held a fund distribution license from the CSRC and we entered into a majority of fund distribution agreements with fund managers through this subsidiary.

In addition, fund managers managing privately raised funds are required to register with the Asset Management Association of China (the "AMAC"); unregistered individuals or institutions are not permitted to conduct securities investment activities under the names of "funds" or "fund management". Historically, we collaborated with licensed fund managers and structured our fund management services as providing services to them in order to comply with PRC laws. Neither the fund management services under service agreements with fund managers, nor our service fees generated from such agreements were prohibited by the applicable laws and regulations. However, we cannot assure you that the relevant PRC government would have agreed with our interpretation of the relevant laws and regulations.

On October 25, 2019, certain local offices of CSRC issued Circular on Pilot Implementation of Investment Consulting Business of the Publicly Raised Securities Investment Funds (the "Circular") with immediate effect and, on June 9, 2023, the CSRC promulgated Administrative Measures on Investment Consulting Business of Publicly Raised Securities Investment Fund (Draft for Comments, the "Draft"). The Circular and the Draft provide that portfolios of publicly raised funds are required to be distributed through institutions with qualified investment consulting licenses; institutions without qualified investment consulting licenses are not permitted to conduct distribution of portfolios of publicly raised funds under the name "portfolios." Historically, we collaborated with licensed institutions to distribute portfolios of publicly raised funds and structured our selection of portfolios as providing services to them in order to comply with PRC laws. Neither collaboration with licensed institutions for distribution of portfolios of publicly raised funds nor our service fees generated from such arrangement were prohibited by the applicable laws and regulations. However, we cannot assure you that the relevant PRC government would have agreed to our interpretation of the relevant laws and regulations.

Although as of the date of this annual report the wealth management business segment has been fully disposed of, if the PRC government interprets the relevant rules differently and deems our historical role in such arrangement as those distributors requiring fund management license and qualified investment consulting license, we could be subject to investigations, fines, or other penalties related to our past operations. Any such imposition of penalties could have a material adverse effect on our financial condition and reputation.

We cannot assure you that we will be able to maintain our existing licenses and permits, renew any of them when their current term expires or obtain additional licenses required for our future business expansion. If we are unable to maintain and renew one or more of our current licenses and permits, or obtain such renewals or additional licenses required for our future business expansion on commercially reasonable terms, our operations and prospects could be materially disrupted. Moreover, new PRC regulations promulgated in the future may require that we obtain additional licenses or permits in order to continue to conduct our business operations and we cannot assure you that we would be able to obtain such licenses or permits in a timely fashion, or at all. If any of the foregoing were to occur, our business, financial condition and prospects would be materially and adversely affected.

Material changes in the regulatory environment could change the competitive landscape of our industry or require us to change the way we do business. Our business and results of operations could be materially and negatively impacted if we are unable to adapt our services to regulatory changes in China.

The insurance industry in China is highly regulated, and the laws and regulations applicable to us and our insurance operating subsidiaries are rapidly evolving. These regulatory developments may result in additional restrictions on our activities, intensified competition, or disruptions to our product supply, any of which could adversely affect our business operations. Specifically, changes to insurance product pricing, sales practices, and commission structures have led to sales fluctuations, increased operational costs, and significant compliance challenges.

For example, insurance regulators have been progressively tightening pricing controls on life insurance products in response to declining interest rates. Since 2019, the cap on pricing interest rates for traditional life insurance products has been reduced from 4.025% to 2.0%. Each pricing rate adjustment typically causes significant business fluctuations, characterized by short-term sales spikes followed by sharp declines. Recently on August 2, 2024, the National Financial Regulatory Administration (the “NFRA”) issued the Notice on Enhancing the Pricing Mechanism for Life Insurance Products, which capped assumed interest rates at 2.5% for traditional life insurance, 2.0% for participating products, and 1.5% for universal insurance, significantly disrupting our product availability and sales. Subsequently, the NFRA required insurers to dynamically adjust pricing rates based on long-term market indicators such as the Loan Prime Rate, the five-year fixed deposit rate, and the ten-year government bond yield. On July 25, 2025, the Insurance Association of China revised the benchmark pricing interest rate from 2.34% to 1.99%, prompting insurers to further lower pricing rate caps to 2.0% for traditional life insurance products, 1.75% for participating products, and a guaranteed 1.0% for universal products. An additional adjustment mechanism will be triggered if market rates exceed the benchmark by 25 basis points for two consecutive quarters, potentially causing further disruptions to our product supply and sales performance.

We also face increased compliance requirements for sales practices. On September 20, 2023, the NFRA issued the Measures for the Supervision of Insurance Sales Behavior, effective March 1, 2024. This regulation imposes stringent requirements across pre-sale, mid-sale, and post-sale stages, including mandatory “double recording,” tiered classification and oversight of sales personnel, and restrictions on bundled insurance offerings with healthcare or elderly care services. These requirements have increased our compliance costs and reduced sales efficiency in certain regions. Stricter enforcement nationwide could further affect customer purchase behavior and our financial results.

Furthermore, regulatory limits have reduced our commission income. The Notice on Regulating Insurance Products Sold Through Bancassurance Channel issued on August 22, 2023, and the Notice on Pricing Mechanism issued on August 2, 2024, require that insurance companies’ actual sales expenses, including commissions, align with approved cost structures. This has led to lower commission rates across bancassurance and broker channels. Our business partners began reducing commission rates as early as March 2024, significantly negatively impacting our commission income and revenue.

Stricter qualification standards for insurance sales personnel present another challenge. In March 2024, the Insurance Association of China released a draft Sales Capabilities Qualification Standard, which proposes classifying insurance sales personnel into four levels based on expertise. Each level determines the types of products a salesperson is authorized to sell. This framework may require substantial investments in training and could restrict the ability of less experienced sales personnel to sell higher-margin products, potentially affecting our product strategy and profitability.

Additionally, reforms to the personal marketing system and deferred commission structures introduced by the NFRA's Notice on Promoting the Reform of the Personal Marketing System for Life Insurance, issued on April 14, 2025, emphasize enhanced professionalization and long-term service capabilities among insurance sales personnel. The reforms require insurers to improve end-to-end management of their sales teams and establish systems supporting career development, tiered advancement, and performance-based deferred commission payments. For policies with premium payment periods of ten years or longer, commissions may not be fully disbursed within five years, increasing uncertainty around revenue recognition. The Notice also encourages commission allocation to favor front-line sales consultants and requires a simplified, flatter sales hierarchy. It highlights the implementation of "alignment of reported and actual expenses" in the tied-agent channel, which, while potentially relieving competitive pressure by narrowing commission differences between channels, remains dependent on strict implementation by insurers. The introduction of a clawback mechanism for commissions resulting from violations by sales personnel, along with higher standards for internal risk controls, training, and integrity management, may increase our compliance costs and income variability. As insurance brokerages are required to adhere to these rules in parallel, we are subject to increased compliance scrutiny and operational complexity.

The NFRA possesses broad discretion in administering, interpreting, and enforcing insurance regulations. Laws and regulations may change rapidly and be subject to inconsistent interpretation. Non-compliance could result in civil or criminal penalties, revocation of licenses, or forced business changes. Even in the absence of violations, increased regulatory scrutiny may elevate compliance costs and operational complexity. Although we have not experienced any material violations to date, we cannot guarantee continued compliance. Ongoing regulatory developments could materially and adversely affect our ability to operate, generate revenue, or maintain partnerships with insurance companies.

The wealth management products that we distributed involve various risks and our failure to identify or fully appreciate such risks will negatively affect our reputation, client relationships, operations and prospects.

Historically under our wealth management services, we distributed a broad variety of wealth management products. The products we distributed can be divided into publicly raised fund products and privately raised fund products. These products often have different structures and involve various risks, including default risks, interest risks, liquidity risks and other risks. Our success in distributing these products depended, in part, on our successful identification and full appreciation of risks associated with such products. Not only must we keep pace with third-party wealth management product providers and prudently select products, but we must also accurately describe the products to, and evaluate them for, our clients.

Although we sought to implement strict risk management policies and procedures, they may not have been fully effective in mitigating the risk exposure of our clients in all market environments or against all types of risks. Moreover, our clients could experience losses on raised capital as a result of poor investment performance by our distributed funds. If we failed to identify and fully appreciate any of the aforementioned risks associated with products we distributed to our clients, or failed to disclose such risks to our clients, and as a result our clients suffer financial loss or other damages resulting from their purchase of the wealth management products following our wealth management and product recommendations and services prior to the disposal of the segment, our reputation, client relationships, business and prospects will be materially and adversely affected.

If we are required to obtain ICP licenses for the operation of our apps related to our insurance distribution business, we may not be able to offer relevant information and transaction processing services and our business and operations may be negatively affected.

Our subsidiary AIFU operates several mobile apps including “FA App” (formerly known as “Lan Zhanggui” 懒掌柜), which provides end-to-end insurance sales support services to insurance sales agents. For our wealth management business which has been discontinued as a result of the disposal in September 2025, we previously operated three mobile apps; one is “Puyi Fund” (普益基金), which enabled our clients to complete transactions online in relation to our fund products; the second is “i Financial Planner” (i理财师), which provided a one-stop online management tool and empowered financial advisors to provide better services; and the third is “Puyi business school” (普益商学院), which provided investor education. According to the Provisions on the Administration of Mobile Internet Application Information Services, or the App Provisions, issued by Cyberspace Administration of China on June 28, 2016 and as amended on August 1, 2022, any owner or operator providing information services through a mobile internet application, or an “app,” must obtain the relevant qualification(s) as required by laws and regulations. The App Provisions, however, do not specify what “relevant qualification(s)” an app owner or operator must obtain. In practice, operational activities of a company conducted through an app are subject to the supervision of the local counterparts of the Information Communications Administration, and often, the local counterparts differentiate the operational activities conducted through websites and through apps. In many cases, standalone apps through which a company provides information services without any web-based online services are not required to obtain ICP licenses. However, the interpretation and enforcement of such laws and regulations are subject to the substantial discretion of the local authorities. As of the date of this annual report, we do not hold ICP licenses for the apps we currently operate, and cannot rule out the possibility that the local counterparts of the Information Communications Administration would take the view that the current primary information services and transaction processing services provided by us through the apps would require an ICP license or that, without such license, we would be prohibited from rendering such services through the apps. If we were required to obtain an ICP license for these apps, our inability to obtain the license in a timely manner or at all may have a material adverse effect on our business and operations.

If we fail to recruit and retain productive sales agents, our business could suffer.

A substantial portion of AIFU’s sales of insurance products are conducted through its individual sales agents. Some of these sales agents are significantly more productive than others in generating sales. AIFU has been actively recruiting and will continue to recruit productive sales agents, particularly Million-Dollar-Round-Table members (“MDRT”) to join us. These highly productive sales agents have been instrumental to the development of our life insurance business. If AIFU is unable to attract and retain the core group of highly productive sales agents, our business could be materially and adversely affected. Competition for highly productive sales personnel from insurance companies and other insurance intermediaries may also force AIFU to increase the compensation of its sales agents, which would increase operating costs and reduce our profitability.

A decline in the investment performance of the wealth management products distributed or managed by us could have negatively impacted our revenues and profitability.

Before the disposal of our wealth management segment in September 2025, investment performance was a key competitive factor for the wealth management products that we distributed and managed. Strong investment performance helped us to retain and expand our client base and to generate new sales of products and services, and was therefore an important element to our goals of maximizing the value of products and services provided to our clients and our AUM. Any drop or perceived drop in investment performance as compared to our competitors could cause a decline in sales of our investment products and services, which may also reduce our aggregate AUM and management fees. Poor investment performance could also adversely affect our ability to expand the distribution of third-party wealth management products and our self-developed products.

In addition, the profitability of our asset management services depended on, among others, fees charged based on the AUM. Any impairment on the assets that we managed, whether caused by fluctuations or downturns in the underlying markets or otherwise, would reduce our revenues generated from asset management business, which in turn may materially and adversely affect our overall financial performance and results of operations.

As a result of the disposal of our wealth management segment in September 2025, this specific operational risk has been eliminated from our ongoing operations. However, this risk was applicable to the financial results of the segment for the fiscal year ended June 30, 2025.

Any material decrease in the commission and fee rates for our services may have an adverse effect on our revenues, cash flow and results of operations.

Our revenues and profitability are highly sensitive to changes in the commission and fee rates set by our insurance company partners and third-party product providers. For our insurance agency business, we derive revenues primarily from commissions and fees based on the premiums charged by insurance companies. Our commission and fee rates are set by insurance companies and are based on the premiums that the insurance companies charge or the amount recovered by insurance companies. Commission and fee rates and premiums can change based on the prevailing economic, regulatory, taxation-related and competitive factors that affect insurance companies. These factors, which are not within our control, include the ability of insurance companies to place new business, underwriting and non-underwriting profits of insurance companies, consumer demand for insurance products, the availability of comparable products from other insurance companies at a lower cost, the availability of alternative insurance products such as government benefits and self-insurance plans, the tax deductibility of commissions and fees and the consumers themselves as well as regulatory requirements. For example, the regulatory guidance on the commission cap has been extended from the bancassurance channel to the independent agency and broker channel beginning in March 2024. In addition, the pricing rates for certain insurance products, such as the traditional life insurance products have been adjusted downwards by the NFRA from 4.025% to 2.0% in the past five years.

Because we do not determine, and cannot predict, the timing or extent of premium or commission and fee rate changes, we cannot predict the effect any of these changes may have on our operations. Any decrease in premiums or commission and fee rates may significantly affect our profitability. In addition, our budget for future acquisitions, capital expenditures and other expenditures may be disrupted by unexpected decreases in revenues caused by decreases in premiums or commission and fee rates, thereby adversely affecting our operations.

Similarly, in our wealth management services prior to the disposal, we derived a majority of our revenues from distribution commissions and performance-based fees from wealth management services, and management fees and carried interest from the funds that we manage. The relative fee rates were negotiated between us and third-party product providers or the investors and varied from product to product. Fee rates may have been subject to change based on the prevailing political, economic, regulatory, taxation and competitive factors that affect product providers or investors. These factors, which are not within our control, include the capacity of product providers to place new business and realize profits, client demand and preference for wealth management products, the availability of comparable products from other product providers at a lower cost and the availability of alternative wealth management products for clients. In addition, the historical volume of wealth management products that we have distributed or managed may have had a significant impact on our bargaining power with third-party wealth management product providers in relation to the fee rates for future products.

Any decrease in these rates could have significantly affected our revenues and profitability. Additionally, unexpected decreases in revenues caused by lower premiums or commission and fee rates could have disrupted our budget for future acquisitions, capital expenditures, and other expenditures.

As a result of the disposal of our wealth management segment in September 2025, this specific operational risk has been eliminated from our ongoing operations. However, this risk was applicable to the financial results of the segment for the fiscal year ended June 30, 2025.

We depend on a small number of third-party product providers to derive a substantial portion of our net revenues and this dependence is likely to continue.

Our business is subject to significant concentration risks due to our reliance on a small number of third-party product providers. The insurance agency business derived a significant portion of its net revenues from distributing insurance products supplied by a few key insurance company partners. For example, for the fiscal year ended June 30, 2025, one of our top five insurance company partners, Sinatay, accounted for 10.1% of our total net revenues. This concentration means that our business and operations could be negatively impacted if we experience a partial or complete loss of any of these key partners. Additionally, any significant adverse change in our relationship with these partners could result in revenue loss, increased costs, and distribution delays, harming our business and customer relationships.

Similarly, our wealth management services depended heavily on a limited number of third-party product providers. For the fiscal years ended June 30, 2025, one major third-party product provider accounted for 14.4% of our wealth management service revenues. The volume of products sourced and distributed from specific providers might vary from period to period since we were not the exclusive distributor for any particular provider. This high concentration could also have hindered our ability to negotiate favorable fee rates, potentially affecting our results of operations. As a result of the disposal of our wealth management segment in September 2025, this specific operational risk has been eliminated from our ongoing operations. However, this risk was applicable to the financial results of the segment for the fiscal year ended June 30, 2025.

Overall, our dependence on a limited number of key suppliers in both the insurance agency and wealth management segments increases our exposure to risks associated with the termination or adverse changes in our agreements with these suppliers. Such events could have a material adverse impact on our revenues, profitability, and overall business operations.

Our risk management policies and procedures may not be fully effective, which could lead to losses or misconduct.

We have devoted significant resources to developing our risk management policies and procedures and will continue to do so. Nonetheless, our ability to identify, monitor and manage risks may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. Our methods are often based on historical models and information that may not always be accurate, complete, or predictive of future events, especially during periods of market volatility or due to unforeseen circumstances. This could cause us to incur losses or cause our risk management strategies to be ineffective.

Moreover, we are subject to the risks of error and misconduct by our employees, sales agents and third parties, including the improper use or disclosure of confidential information, misconduct in the marketing and distribution of insurance products, the concealment of unauthorized activities, and other failures to comply with laws and regulations or our internal policies. Although we have established an internal compliance system, these risks may be difficult to detect and deter. The failure of our policies and procedures to be fully effective could have a material adverse effect on our business, financial condition, and results of operations.

We may be at risk of securities class action litigation.

Recently, U.S. public companies that have substantially all of their operations in China have been the subject of intense scrutiny, criticism and negative publicity by some investors, financial commentators and regulatory agencies. Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in some cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stocks of many U.S.-listed Chinese companies have sharply decreased in value and, in some cases, have become virtually worthless. Some of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting or subject to internal and external investigations into the allegations. We had been targeted by short selling reports in the past and became subject to class action lawsuits which were subsequently dismissed or settled. Shortselling firms or others may in the future publish additional short seller reports with respect to our business, officers, directors and shareholders, and we may become subject to other unfavorable allegations, which might cause further fluctuations in the trading price of our Class A ordinary shares. Such volatility in our share price could subject us to increased risk of securities class action lawsuits or derivative actions.

Any future class action lawsuit against us, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations. Even if such allegations are ultimately proven to be groundless, the allegations or the process of dealing with them could severely impact our business operations and stockholder's equity, and any investment in our Class A ordinary shares could be greatly reduced or even rendered worthless.

We may be subject, from time to time, to adverse actions taken by other parties, including lawsuits, arbitrations and other legal and regulatory proceedings, which may divert resources and the time and attention of our management and may otherwise adversely affect us.

From time to time, we may become subject to lawsuits, arbitrations and other legal and regulatory proceedings in the ordinary course of our business from time to time. Such matters, with or without merit, could be time-consuming, result in significant expenses and divert the attention and resources of our management and other key employees. An unfavorable outcome in any of these matters could also exceed coverage provided under applicable insurance policies, which is limited. Any such unfavorable outcome could have a material effect on our business, financial condition, results of operations and cash flows. Further, we could be required to pay damages or additional penalties or have other remedies imposed against us, or our current or former directors or officers, which could harm our reputation, business, financial condition, results of operations or cash flows.

We are engaged in a material arbitration initiated by GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “Claimants”) before the International Centre for Dispute Resolution (“ICDR”). The Claimants seek damages in excess of US\$124 million relating to a Securities Purchase Agreement dated April 16, 2024 (the “GEM Agreement”) between us and GEM Global Yield LLC SCS”, which contemplated a potential equity investment of up to US\$1 billion. Subsequently, our Board of Directors determined that the GEM Agreement was void due to fraud and resolved to terminate all proposed transactions and cooperation contemplated thereunder. On July 29, 2025, we received notice of a Demand for Arbitration filed by Claimants with the ICDR concerning the GEM Agreement. See “Item 8. Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings” for more information.

In addition, the NFRA may from time to time make inquiries and conduct examinations concerning our compliance with PRC laws and regulations. These administrative proceedings have in the past resulted in administrative sanctions, including fines, which have not been material to us. While we cannot predict the outcome of any pending or future examination, we do not believe that any pending legal matter will have a material adverse effect on our business, financial condition or results of operations. However, we cannot assure you that any future regulatory proceeding will not have an adverse outcome, which could have a material adverse effect on our operating results or cash flows.

We are also subject to lawsuits and other claims in the ordinary course of our wealth management business. Pursuant to the Minutes of the National Courts’ Civil and Commercial Trial Work Conference (the “Conference”) issued by the Supreme People’s Court on November 8, 2019, where the issuer or distributor of a financial product fails to fulfill its suitability obligation, leading to any loss to the financial consumer in the process of purchasing the financial product, the financial consumer may not only request the issuer of the financial product to bear the liability for compensation, but also request the distributor of the financial product to bear the liability for compensation jointly and severally. In particular, we may face arbitration claims and lawsuits brought by our clients who have bought wealth management products based on our recommendations which turned out to be unsuitable. We may also encounter complaints alleging misrepresentation on the part of our employees and financial advisor team or that we have failed to carry out a duty owed to them, or claims arising from misconduct of our insurance agents, employees and financial advisors such as selling financial products that are not authorized by the Company. This risk may be heightened during periods when credit, equity or other financial markets are deteriorating in value or are volatile, or when clients or investors are experiencing losses.

Lawsuits, arbitrations and other legal and regulatory proceedings brought against us may result in settlements, awards, injunctions, fines, penalties or other results adverse to us, including harm to our reputation. Our contracts with our third-party wealth management product providers do not provide for indemnification of our costs, damages or expenses resulting from such lawsuits. As such, even if we are successful in defending against these actions, the defense of such matters may result in our incurring significant expenses. Predicting the outcome of such matters is inherently difficult, particularly where claimants seek substantial or unspecified damages, or when arbitration or legal proceedings are at an early stage. A substantial judgment, award, settlement, fine or penalty could materially and adversely affect our operating results or cash flows for a particular future period, depending on our results for that period.

Our reputation and brand recognition are crucial to our business. Any harm to our reputation or failure to enhance our brand recognition may materially and adversely affect our business, financial condition and results of operations.

Our reputation and brand recognition, which primarily depend on earning and maintaining the trust and confidence of current or potential clients, are critical to our business. Our reputation and brand are vulnerable to many threats that can be difficult or impossible to control, as well as costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by clients or other third-parties, employee, sales agent or financial advisor team misconduct, perceptions of conflicts of interest and rumors, among other things, could substantially damage our reputation, even if they are baseless or satisfactorily addressed.

We may be adversely affected by negative publicity, even if such publicity is unfounded or unrelated to our actual operations. For example, in October 2024, certain media outlets reported on defaults of financial products issued by a third-party private equity firm. These reports, which associated AIFU's name with these products, have generated negative publicity. Neither AIFU nor Maase ever issued, sold, or guaranteed any of these financial products. Nonetheless, this negative publicity has impacted market perception of our Company and brand.

In addition, any perception that the quality of our services may not be the same as or better than that of insurance companies, or other insurance brokers can also damage our reputation. Moreover, any negative media publicity about the financial service industry, the insurance industry or the new industries we expand into in general or product or service quality problems of other firms in the industry, including our competitors, may also negatively impact our reputation and brand. The resulting reputational damage from any of the above may make it more difficult for us to attract and retain clients, recruit and retain high-performing sales agents, or maintain relationships with business partners. If we are unable to maintain a good reputation or further enhance our brand recognition, our business and revenues would be materially and adversely affected. Further negative media reports, regardless of their accuracy, could exacerbate these risks.

Competition in our industry is intense and, if we are unable to compete effectively with both existing and new market participants, we may lose customers, and our financial results may be negatively affected.

Competition in the industries we operate are intense, and our ability to compete effectively against both established and new market participants is crucial. In the insurance intermediary industry in China, competition is fierce and fragmented. We anticipate competition to persist and intensify, particularly with the entry of internet giants, online insurance intermediaries, and foreign-invested firms. We compete with insurance companies utilizing in-house sales teams, exclusive agents, telemarketing, and internet channels. Additionally, ancillary distributors such as commercial banks, postal offices, and automobile dealerships pose competition. For claims adjusting business, we previously primarily competed with other independent firms based on product offerings, customer service, and reputation.

The wealth management market in China is at an early stage of development and is currently highly fragmented and competitive. In distributing wealth management products, we previously faced direct competition primarily from (i) commercial banks and their wealth management subsidiaries, (ii) non-bank traditional financial institutions, such as securities firms, fund managers and insurance companies with internal sales capabilities, (iii) online-based service providers, and (iv) third-party professional wealth management services providers that are not associated with financial institutions. The market's early stage of development further intensified competition, with potential risks in identifying and developing new product opportunities in a timely and cost-effective manner.

Further, our competitors may have greater financial and marketing resources than we do. For example, the commercial banks we competed with tend to enjoy significant competitive advantages due to their nationwide distribution network, established brand and credit, and much larger client base and settlement capabilities. Moreover, many of the wealth management product providers we previously worked with, such as fund managers or securities firms, are also engaged in, or may in the future engage in, the distribution of wealth management products and they may benefit from their vertical integration of manufacturing and distribution. Additionally, emerging fund management companies in the asset management sector presented additional competitive pressures.

Failure to effectively compete against these rivals may result in loss of market share, customer attrition, and adverse impacts on our financial results and overall business operations.

Our failure to respond in a timely and cost-effective manner to rapid product innovation in the financial industry may have an adverse effect on our business and operating results.

The financial industry was increasingly influenced by frequent new product and service introductions and evolving industry standards. The success of our discontinued wealth management segment depended on our ability to anticipate product innovations and to offer additional product and service opportunities that meet evolving standards on a timely and cost-effective basis. There was no assurance that we would successfully identify new product and service opportunities or develop and introduce these opportunities in a timely and cost-effective manner. In addition, product and service opportunities that our former competitors developed or introduced could have rendered our products and services noncompetitive. Any of the foregoing could have had a material adverse effect on our wealth management business and results of operations during the fiscal year ended June 30, 2025.

As a result of the disposal of our wealth management segment in September 2025, this specific operational risk has been eliminated from our ongoing operations. The historical financial results of the discontinued operation for the period it was operational were subject to this risk.

We may not be able to effectively implement our business strategies, in which case our business and results of operations may be materially and adversely affected.

Prior to its disposal in September 2025, our wealth management segment faced significant competitive challenges. The segment's strategy was to build a strong platform to provide full life-cycle asset allocation services. Implementing this strategy required enhancing our team's professional skills and efficiency and productivity, which involved substantial management efforts and expenditure. There was no assurance that the segment's resources were adequate to execute this strategy effectively. The segment's failure to successfully implement its business plan could have, and may have, adversely affected its results of operations during the fiscal year ended June 30, 2025.

Following the disposal of our wealth management segment and the acquisition of Carve Group and Real Prospect, our company's strategy has shifted to focus on our remaining operations, including our insurance agency business, as well as the newly acquired health products business and smart-technology solutions business. Our future success will depend on our ability to develop and execute new business strategies effectively. These endeavors will involve risks and require substantial management attention and resources. We cannot assure you that our personnel, systems, procedures, and controls will be adequate to support our future operations as we execute our new strategic direction. The failure to implement our future business strategies effectively may materially and adversely affect our business and results of operations.

We may be unsuccessful in identifying suitable acquisition candidates, completing acquisitions, integrating acquired companies or the acquired companies may not perform to our expectations, which could adversely affect our growth.

Our growth strategy includes selective acquisition. We expect a substantial portion of our future growth to come from acquisitions of high-quality assets that are either complementary to our existing business or can accelerate our intelligence development and further broaden our service offerings. There is no assurance that we can successfully identify suitable acquisition candidates. Even if we identify suitable candidates, we may not be able to complete an acquisition on terms that are commercially acceptable to us. In addition, we compete with other entities to acquire high-quality entities. Many of our competitors may have substantially greater financial resources than we do and may be able to outbid us for these acquisition targets. If we are unable to complete acquisitions, our growth strategy may be impeded and our earnings or revenue growth may be negatively affected.

Even if we succeed in acquiring other high-quality assets, our ability to integrate an acquired entity and its operations is subject to a number of factors. These factors include difficulties in the integration of acquired operations and retention of personnel, especially the sales agents who are not employees of the acquired company, entry into unfamiliar markets, unanticipated problems or legal liabilities, and tax and accounting issues. The need to address these factors may divert management's attention from other aspects of our business and materially and adversely affect our business prospects. In addition, costs associated with integrating newly acquired companies could negatively affect our operating margins.

Furthermore, the acquired companies may not perform to our expectations for various reasons, including legislative or regulatory changes that affect the insurance products in which a company specializes, the loss of key clients after the acquisition closes, general economic factors that impact a company in a direct way and the cultural incompatibility of an acquired company's management team with us. If an acquired company cannot be operated at the same profitability level as our existing operations, the acquisition would have a negative impact on our operating margin. Our inability to successfully integrate an acquired entity or its failure to perform to our expectations may materially and adversely affect our business, prospects, results of operations and financial condition.

Any significant failure in our information technology systems could have a material adverse effect on our business and profitability.

Our business is highly dependent on the ability of our information technology systems to process a large amount of information of insurance and wealth management products, clients and transactions in a timely manner. The proper functioning of our transaction system, OA system, finance system, investment advisor platform, operation database, client service and other data processing systems, together with the communication systems between our various branch offices and our headquarters in Guangzhou, is critical to our business and our ability to compete effectively. In particular, we rely on the online transaction and service platforms to conduct our operations. A key platform is our proprietary FA App, an all-in-one insurance sales and service platform developed for our sales agents. This application allows them to manage their book of insurance business digitally, covering all aspects of the business process from insurance product purchase and team management to agent recruitment, customer engagement, customer service and e-learning. Prior to its disposal in September 2025, our wealth management segment also relied heavily on the "Puyi Fund" (普益基金) platform. This platform provided clients with up-to-date wealth management product information and a full scope of online transaction processing services, enabling them to execute transactions and monitor their investment portfolios. The historical results of the wealth management segment for the fiscal year were dependent on this platform's functionality and performance. We cannot assure you that our business activities would not be materially disrupted in the event of a partial or complete failure of any of these information technology or communication systems, which could be caused by, among others, software malfunction, computer virus attacks or conversion errors due to system upgrading. In addition, a prolonged failure of our information technology system could damage our reputation and materially and adversely affect our future prospects and profitability.

Any failure to protect our clients' privacy and confidential information could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.

Our services involve the exchange, storage and analysis of highly confidential information, including detailed personal and financial information regarding our affluent and emerging middle class clients, through a variety of electronic and non-electronic means, and our reputation and business operations are highly dependent on our ability to safeguard the confidential personal data and information of our clients. We rely on a network of process and software controls to protect the confidentiality of data provided to us or stored on our systems. We face various security threats on a regular basis, including cyber-security threats to and attacks on our technology systems that are intended to gain access to our confidential information, destroy data or disable our systems.

If we do not take adequate measures to prevent security breaches, maintain adequate internal controls or fail to implement new or improved controls, these data, including personal information, could be misappropriated or confidentiality could otherwise be breached. We could be subject to liability if we fail to prevent security breaches, improper access to, or inappropriate disclosure of, any client's personal information, or if third-parties are able to illegally gain access to any client's name, address, portfolio holdings, or other personal and confidential information. In addition, the rapid upgrade and development of information system technologies and the evolving business models may cause new and unexpected information system risks. Although we have developed systems and internal control processes that are designed to prevent or detect security breaches and protect our clients' data, we cannot assure you that such measures will provide absolute security. In addition, when we source and distribute fund products from third-party fund product providers or fund managers, we may need to share with them certain personal information of our clients, such as names, addresses, phone numbers and transaction accounts. As required by the relevant PRC laws and regulations, we may also need to share such personal information of our clients with the custodians of the fund products we distribute. We have limited control or influence over the security policies or measures adopted by our business partners. The financial advisor team we recruit may also violate their confidentiality obligations and disclose or use information about our clients illegally. Any such failure could subject us to claims for identity theft or other similar fraud claims or claims for other misuses of personal information, such as unauthorized marketing or unauthorized access to personal information. Such events would also cause our clients to lose their trust and confidence in us, which may result in a material adverse effect on our business, results of operations and financial condition.

As the PRC government continues to focus on the supervision of data security and protection of personal information, we could be subject to new laws and regulations relating to the collection, storage, processing or use of personal information that could affect how we collect, store, process and use data. For example, the People's Republic of China Cyber Security Law requires that personal information and important data collected and generated by operators of critical information infrastructure in the course of their operations in China shall be stored in the territory of China, and imposes enhanced regulation and additional security obligations on operators of critical information infrastructure. On January 1, 2025, the Cyberspace Administration of China (the "CAC") promulgated the Administrative Regulations on Cyber Data Security, which shall apply to the processing of personal and organizational data out of the territory of China under certain circumstances. Data processors that transfer data collected and generated in the PRC outside of the territory of China are required to prepare a data security assessment report to the local cyberspace administration. A maximum of RMB10 million penalty would be imposed on data processors that violate the regulations. As advised by our PRC legal counsel, these regulations interpretations and implementations remain substantially uncertain. Many of these laws and regulations are subject to changes and uncertain interpretations, and could result in claims, penalties, changes to our business practices, increased costs of operations, damages to our reputation and brand, or declines in users' growth or engagement, or otherwise harm our business. As of the date of this annual report, we have not been involved in any investigation on cybersecurity review by the CAC on such basis, and we have not received any inquiry, notice, warning, or sanction in such respect.

In addition, the National Standards under the Information Security Technology-Personal Information Security Specification sets forth requirements for collection, storage, use, exchange and disclosure of data; the Personal Information Protection Law of the People's Republic of China (promulgated on August 20, 2021 and effective on November 1, 2021) and the Measures for the Standard Contract for Cross-border Transfer of Personal Information and their respective auxiliary rules impose restrictions on entities and individuals that collect and process personal data and sensitive information. We expect that data security and personal information protection will receive increasing and constant attention and scrutiny from regulators and the public, which may increase our compliance costs and confront us with evolving challenges associated with data security and personal information protection. Any improper use of such personal data and information could harm our reputation and our business as well as result in claims and penalties, including fines, suspension of business, revocation of required licenses and criminal penalties.

We may not be able to prevent unauthorized use of our intellectual property, which could reduce demand for the products that we distribute and the services we provide, adversely affect our revenues and harm our competitive position.

We rely primarily on a combination of copyright, trade secret, trademark and anti-unfair competition laws and contractual rights to establish and protect our intellectual property rights. We cannot assure you that the steps we have taken or will take in the future to protect our intellectual property or piracy will prove to be sufficient. For example, although we require our employees, wealth management product providers and seed clients to enter into confidentiality agreements in order to protect our trade secrets, other proprietary information and, most importantly, our client information, these agreements might not effectively prevent disclosure of our trade secrets, know-how or other proprietary information and might not provide an adequate remedy in the event of unauthorized disclosure of such confidential information. In addition, other parties may independently discover trade secrets and proprietary information, and in such cases, we could not assert any trade secret rights against such parties. Implementation of intellectual property-related laws in China has historically been lacking, primarily due to ambiguity in the PRC laws and enforcement difficulties. Accordingly, intellectual property rights and confidentiality protection in China may not be as effective as in the United States or other countries. Current or potential competitors may use our intellectual property without our authorization in the development of products and services that are substantially equivalent or superior to ours, which could reduce demand for our products and services, adversely affect our revenues and harm our competitive position. Even if we were to discover evidence of infringement or misappropriation, our recourse against such competitors may be limited or could require us to pursue litigation, which could involve substantial costs and diversion of management's attention from the operation of our business.

We may face intellectual property infringement claims that could be time consuming and costly to defend and may result in the loss of significant rights by us.

Although we have not been subject to any litigation, pending or threatened, alleging infringement of third-parties' intellectual property rights, we cannot assure you that such infringement claims will not be asserted against us in the future. Intellectual property litigation is expensive and time-consuming and could divert resources and management attention from the operation of our business. If there is a successful claim of infringement, we may be required to alter our services, cease certain activities, pay substantial royalties and damages to, and obtain one or more licenses from, third-parties. We may not be able to obtain those licenses on commercially acceptable terms, or at all. Any of those consequences could cause us to lose revenues, impair our client relationships and harm our reputation.

Our future success depends on our continuing efforts to retain our existing management team and other key employees as well as to attract, integrate and retain highly skilled and qualified personnel, and our business may be disrupted if we are unable to do so.

Our future success depends heavily on the continued services of our current executive officers. We also rely on the skills, experience and efforts of other key employees, including management, marketing, support, research and development, technical and services personnel. Qualified employees are in high demand throughout insurance agency business, health products business and smart-technology solutions business in China, and our future success depends on our ability to attract, train, motivate and retain highly skilled employees and the ability of our executive officers and other members of senior management to work effectively as a team.

If one or more of our executive officers or other key employees are unable or unwilling to continue in their present positions, we may not be able to find replacements easily or at all, which may disrupt our business operations. We do not have key personnel insurance in place. If any of our executive officers or other key employees joins a competitor or forms a competing company, we may lose clients, know-how, key professionals and staff members. Each of our executive officers has entered into a non-competition agreement with us as well as an employment agreement with us which contains confidentiality provisions. However, if any dispute arises between our executive officers and us, we cannot assure you of the extent to which any of these agreements could be enforced in China, where these executive officers reside, because of the uncertainties of China's legal system. See "— Risks Related to Doing Business in China — Uncertainties with respect to the PRC legal system could adversely affect us." In the event that such agreements are deemed unenforceable in the context of a dispute with one of our employees, our business, financial condition and results of operations may be materially and adversely affected.

Our principal shareholder has substantial influence over our group and their interests may not be aligned with the interests of our other shareholders.

As of the date of this annual report, our principal shareholder Moonlit Group Ltd. beneficially owned approximately 56.7% of our aggregate voting power and as a result, could exert substantial influence over matters requiring approval by our shareholders, including electing directors and approving mergers or other business combination transactions, and it may not act in the best interests of other noncontrolling shareholders. This concentration of ownership may have an adverse impact on a change in control of our group, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our group and might reduce the price of our Class A ordinary shares. These actions may be taken even if they are opposed by certain of our other shareholders. In such events, our business, financial condition and results of operations may be materially and adversely affected.

Our revenues and operating results can fluctuate from period to period, which could cause the price of our Class A ordinary shares to fluctuate.

Our revenues and operating results have fluctuated in the past and may fluctuate from period to period in the future due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include the following factors, as well as other factors described elsewhere in this annual report:

- the level of success we experience in each of the businesses segments we operate and the resulting change in business mix;
- any significant changes to our business relationship with our important product providers;
- changes in the commission and fee rates set by our insurance company partners and third-party product providers;
- significant increases in commission rates paid to our sales agents and/or seed clients;
- the quality and productivity of our sales agents and/or financial advisors;
- seasonal variations caused by business mix, insurance companies' business practices and consumer demand;
- prior to its disposal, a decline or slowdown of the growth in the value of wealth management products, which reduced the value of products we distributed for wealth management product providers and the products provided by us and, in turn, our revenues and cash flows of our wealth management segment;
- negative public perception and reputation of the insurance and wealth management services industry prior to the disposal of our wealth management segment;

and

- changes in laws or regulatory policies that could impact our ability to provide products and services to our customers.

As a result of these and other factors, the results of any prior interim or annual periods should not be relied upon as indications of our future revenues or operating performance.

We are a foreign private issuer within the meaning of the rules under the Exchange Act and are therefore exempt from certain provisions applicable to U.S. domestic issuers.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the U.S. Securities and Exchange Commission ("SEC") of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on an annual basis as press releases, distributed pursuant to the rules and regulations of the NASDAQ Global Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, our shareholders may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters in lieu of the corporate governance listing standards applicable to U.S. domestic issuers, which home country practices may afford comparatively less protection to shareholders.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the NASDAQ Global Market corporate governance requirements; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NASDAQ Global Market corporate governance requirements. For example, as a foreign private issuer, we are not required to: (i) hold an annual meeting of shareholders no later than one year after the end of the issuer's fiscal year-end; (ii) have a majority of the board be independent; (iii) have a compensation committee or a nominating/corporate governance committee consisting entirely of independent directors; or (iv) have regularly scheduled executive sessions with only independent directors each year.

We intend to follow home country practice in lieu of the requirements under the NASDAQ Global Market rules with respect to certain corporate governance standards. Accordingly, our shareholders will not be provided with the benefits of certain corporate governance requirements of the NASDAQ Global Market rules.

If we fail to implement and maintain an effective system of internal control, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of the Class A ordinary shares may be materially and adversely affected.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the NASDAQ Global Market. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. Commencing with our fiscal year ended June 30, 2020, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Form 20-F filing, as required by Section 404 of the Sarbanes-Oxley Act. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of our internal controls over financial reporting for each fiscal year.

As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the SEC, our management assessed the effectiveness of the internal control over financial reporting as of June 30, 2025 using criteria established in "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that our internal control over financial reporting was effective as of June 30, 2025. If we fail to achieve and maintain an effective internal control environment for our financial reporting, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with the Sarbanes-Oxley Act of 2002, which could result in inaccuracies in our consolidated financial statements and could also impair our ability to comply with applicable financial reporting requirements and make related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our Class A ordinary shares, may be materially and adversely affected. Moreover, if we are not able to conclude that we have effective internal control over financial reporting, investors may lose confidence in the reliability of our financial statements, which would negatively impact the trading price of our Class A ordinary shares. Our reporting obligations as a public company, including our efforts to comply with Section 404 of the Sarbanes-Oxley Act, will continue to place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

In 2024, we identified an uncorrected error related to recording funds we held temporarily for the investors as our asset which we did not have control over. In addition, we identified two other uncorrected classification errors of (i) commission expense that was reported previously under selling expense but should have been under cost of sales, and (ii) excess input value-added tax credit that was reported previously as a current liability but should have been reported as a current asset. These uncorrected misstatements were not prevented or detected as a result of operating effectiveness deficiencies of certain internal controls during prior periods. We assessed the materiality of each of these errors individually and in the aggregate with others to prior periods' financial statements and concluded that the errors were immaterial to our previously issued financial statements. Consequently, a restatement of previously filed financial statements is not required. During the fiscal years ended June 30, 2024 and 2025, our management has designed and implemented corrective actions to remediate the control deficiencies primarily through enhancing the detailed description of the review steps as well as the inputs needed in the relevant controls. As of June 30, 2025, our management concluded that our internal controls over financial reporting were effective. However, if we fail to maintain effective internal controls over financial reporting in the future, our management may conclude that our internal controls over financial reporting are not effective and we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of the Class A ordinary shares could decline and we could be subject to sanctions or investigations by the NASDAQ Global Market, SEC or other regulatory authorities.

Moreover, our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, regardless of how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

We have limited insurance coverage.

Insurance companies in China do not offer as extensive an array of insurance products as insurance companies in more developed economies do. Other than casualty insurance on some of our assets, we do not have commercial insurance coverage for our other assets and personnel nor do we have insurance coverage for our general business operations, business interruption, litigation or product liability. We have determined that the costs of insurance coverage for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence of loss or damage to property, litigation or business disruption may result in our incurring substantial costs and the diversion of resources, which could have a material and adverse effect on our results of operations and financial condition.

We may face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters, health epidemics or other public safety concerns affecting China or elsewhere in the world. Natural disasters may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide offline and/or online services. There have been outbreaks of epidemics in China and globally, which could disrupt our business operation. In addition, our results of operations could be adversely affected to the extent that any health epidemic harms the Chinese economy in general and a prolonged outbreak of any of these illnesses or other adverse public health developments in China or elsewhere. Such outbreaks could significantly impact our industry, and any failure to have our business insurance claims covered could severely disrupt our operations and adversely affect our business, financial condition and results of operations.

Risks Related to Our Corporate Structure

If the PRC government were to find that the historical contractual agreements that established the structure for operating our former businesses in China did not comply with PRC regulations, or if these regulations or the interpretation of existing regulations were to change and be applied retroactively, we could be subject to severe penalties or be forced to relinquish the historical economic benefits we derived from those operations.

Foreign ownership of certain parts of our businesses, including fund management services, was subject to certain restrictions under PRC laws and regulations. In addition, any foreign shareholder of a foreign-invested fund management company focusing on securities investment funds must be a financial institution approved by the national or regional financial regulatory authority where the foreign investor locates, and such national or regional financial regulatory authority must have signed a memorandum of understanding on bilateral regulatory cooperation with the CSRC or its approved institution. Meanwhile, any foreign shareholder of a foreign-invested fund management company must not be punished by any regulatory authority or judicial authority in the last three years. In addition, such foreign-invested fund management company must invest in domestic capital markets.

In December 2018, the CSRC announced that it entered into a memorandum of understanding on bilateral regulatory cooperation with the Cayman Islands Monetary Authority (“CIMA”), the principal regulator for the financial services industry of the Cayman Islands. However, as we were not a financial institution approved by the CIMA, we were not eligible to conduct our fund management business by directly establishing a foreign-invested fund management company.

To comply with then-effective PRC laws and regulations and utilize our ability in providing fund management services, we historically conducted our wealth management through Maase’s Former VIEs, Puyi Bohui, and its subsidiaries. Through our PRC subsidiaries, Puyi Consulting, we entered into a series of contractual arrangements with Puyi Bohui and its shareholders, which (i) enable us to direct the activities of Puyi Bohui, (ii) enable us to receive substantially all of the economic benefits of Puyi Bohui, and (iii) provide us with an exclusive option to purchase all or part of the equity interests and assets in Puyi Bohui when and to the extent permitted by PRC law. As a result of these now-terminated contractual arrangements, we were the primary beneficiary of Puyi Bohui and, as such, consolidated its and its subsidiaries’ financial results into our consolidated financial statements under U.S. GAAP for the relevant periods until September 2025. Puyi Bohui and its subsidiaries held the licenses, approvals and key assets essential for those operations.

Similarly, due to restrictions on foreign ownership and investment in value-added telecommunication services., AIFU previously operated its online insurance distribution business through its former consolidated VIEs, namely Xinbao Investment, and RONS Technologies, and their subsidiaries, and relied on contractual arrangements to control their business operations. These former consolidated VIEs held the necessary licenses, including Value-added Telecommunication Business Operation Permits (“ICP licenses”). These contractual arrangements enabled AIFU to exercise effective control over, received all of the economic benefits of, and had an exclusive option to purchase all or part of the equity interests in the former consolidated VIEs when and to the extent permitted by PRC law. These historical contractual arrangements allowed AIFU to be the primary beneficiary of its former consolidated VIEs and to consolidate the former consolidated VIEs’ results of operations into its financial statements for the years ended December 31, 2023 and 2024 until December 2024.

In December 2024, as part of a share exchange transaction with BGM, the beneficial ownership of RONS Technologies and Xinbao Investment was transferred to BGM. The historical contractual arrangements for AIFU’s former VIEs were subsequently terminated. AIFU now operates its business solely through its subsidiaries in which it has direct equity interests.

In September 2025, we disposed of our wealth management segment, which included the sale of Puyi Consulting, Puyi Bohui, and its subsidiaries. The contractual arrangements with these entities were terminated in connection with this disposal.

In the opinion of our PRC legal counsel, ETR Law Firm, and AIFU’s legal counsel, Hai Run Law Firm (unless otherwise specified, Hai Run Law Firm solely represents AIFU as its legal counsel, and does not represent that the other members of Maase) based on their understanding of the relevant PRC laws and regulations, (i) the ownership structures relating to Maase’s and AIFU’s former consolidated VIEs and WFOEs did not violate applicable PRC laws and regulations; and (ii) the terminated contractual arrangements with the consolidated VIEs and their individual shareholders were legitimate, valid, binding and enforceable in accordance with their respective terms and applicable PRC laws.

However, our PRC legal counsel and AIFU's PRC legal counsel have also advised us that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Accordingly, the PRC regulatory authorities may ultimately take a view contrary to the opinion of our PRC legal counsel and AIFU's PRC legal counsel. The VIE agreements have never been tested in a court of law in China. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide or if they would be applied retroactively. If we or the consolidated VIEs are found to be in violation of any PRC laws or regulations, and if the historical contractual arrangements that established the structure for operating our and the consolidated VIEs' business in the PRC are determined as illegal or invalid by the PRC court, arbitral tribunal or regulatory authorities, we could be subject to severe penalties. The relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- imposing fines or confiscating the historical income derived from the consolidated VIEs;
- taking actions that could retrospectively affect our ability to consolidate the results of the former VIEs into our historical financial statements; or
- restricting or prohibiting our use of the proceeds from overseas offerings to finance our business and operations in China.

According to the historical contractual arrangements with the consolidated VIEs, we conducted a portion of our business activities through the consolidated VIEs in China. Investors in our ordinary shares or the Class A ordinary shares thus were not purchasing, and never directly held all equity interests in the consolidated VIEs in China but instead were purchasing equity interest in a Cayman Islands holding company. There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to such agreements that established the VIE structure for the consolidated VIEs' operations in China, including potential future actions by the PRC government. Although the VIE structures have been terminated and the associated operational risks eliminated, the risk of retrospective regulatory action or penalties related to our historical operations remains. If the PRC government were to take any such retrospective actions, it could result in material penalties or require a potential restatement of our historical financial statements for the periods during which the VIE structures were in place, which could adversely affect our financial condition and results of operations. As of the date of this annual report, it is unclear what impact any potential future retrospective PRC government actions would have on us or the value of our securities.

If we were deemed to be an investment company under the Investment Company Act of 1940, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and the price of our ordinary shares.

An entity will generally be deemed an "investment company" for purposes of the Investment Company Act of 1940, as amended (the "1940 Act") if: (a) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or (b) absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We believe that we are engaged in the business of providing wealth management services and asset management services and not in the business of investing, reinvesting or trading in securities. We do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we believe that we are not an investment company under Section 3(b) (1) of the Investment Company Act because, among other things, it is primarily engaged in a non-investment company business. If one or more of our operating entities ceased to be deemed as a wholly-owned subsidiary of ours, our interests in those subsidiaries could be deemed an "investment security" for purposes of the 1940 Act.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. The 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements, among other things. We intend to conduct our operations so that Maase will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact business with affiliates, could make it impractical for us to continue our business as currently conducted and would have a material adverse effect on our business, financial condition, results of operations and the price of our ordinary shares. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to the registration and other requirements of the 1940 Act.

Risks Related to Doing Business in China

The approval of and filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings, capital raising activities and acquisitions or other trading arrangements of domestic enterprises conducted by China-based issuers. We must file with the CSRC within three business days after the issuance, and also may be required to go through cybersecurity review under the new laws and the draft laws and regulations of mainland China if authorities identifying us as a critical information infrastructure operator or requiring us to go through review by the CAC, which remains unclear. And, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing or other regulatory procedures.

On August 8, 2006, MOFCOM, joined by the CSRC, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the State Administration for Industry and Commerce, and SAFE, jointly promulgated regulations entitled the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “M&A Rules”), which took effect as of September 8, 2006, and as amended on June 22, 2009. On September 21, 2006, the CSRC published on its official website a notice specifying the documents and materials that are required to be submitted for obtaining CSRC approval. The M&A Rules require an overseas special purpose vehicle formed for listing purposes through acquisitions of mainland China domestic companies and controlled by mainland China companies or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

The new rules for the filing-based administration of overseas securities offerings and listings by Chinese domestic companies released on February 17, 2023, or New Filing Rules, establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. According to the New Filing Rules, (i) an overseas offering and listing by a domestic company, whether directly or indirectly, shall be filed with the CSRC; and (ii) the issuer or its affiliated domestic company, as the case may be, shall file with the CSRC for its initial public offering, follow-on offering, issuance of convertible bonds, offshore relisting after go-private transactions and other equivalent offering activities. In addition, after a domestic company has offered and listed securities in an overseas market, it is required to file a report to the CSRC after the occurrence and public disclosure of certain material corporate events, including but not limited to, change of control and voluntary or mandatory delisting. According to the New Filing Rules, the Company shall be deemed to be a domestic enterprise indirectly listed overseas. However, from March 31, 2023, enterprises that have been listed overseas shall constitute existing enterprises and are not required to conduct the overseas listing filing procedure immediately, but shall carry out filing procedures as required if they conduct future offshore offerings or capital raising activities or are involved in other circumstances that require filing with the CSRC.

On February 24, 2023, the CSRC, together with other relevant government authorities, issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Offering and Listing of Securities by Domestic Companies, or the Archives Rules, which became effective on March 31, 2023. According to the Archives Rules, domestic mainland China companies, whether offering and listing securities overseas directly or indirectly, must strictly abide the applicable laws and regulations when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. If such documents or materials contain any state secrets or government authorities work secrets, domestic companies must obtain the approval from competent governmental authorities according to the applicable laws, and file with the secrecy administrative department at the same level with the approving governmental authority. Furthermore, the Archives Rules also provide that securities companies and securities service providers shall also fulfill the applicable legal procedures when providing overseas regulatory institutions and other relevant institutions and individuals with documents or materials containing any state secrets or government authorities work secrets or other documents or materials that, if divulged, will jeopardize national security or public interest. For more details of the New Filing Rules, please refer to “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Overseas Listing.”

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, are required for our offshore offerings or capital raising activities, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. In addition, there are uncertainties with regard to whether any report filed with the CSRC after the occurrence of certain material corporate events will be subject to any further action from the CSRC. Any failure to obtain or delay in obtaining such approval or completing such filing procedures for our offshore offerings, capital raising activities or certain material corporate events, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government authorization for our offshore offerings, capital raising activities or certain material corporate events. These regulatory authorities may impose fines and penalties on our operations in mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from our offshore offerings into mainland China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our offshore offerings or capital raising activities before settlement and delivery and further actions of the shares offered or take any actions regarding our material corporate events. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement, delivery and further actions may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings or capital raising activities, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities.

Adverse changes in the political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could adversely affect our business.

Substantially all of our assets are located in China and substantially all of our revenues are derived from our operations there. Accordingly, our business, financial condition, results of operations and prospects are significantly affected by economic, political and legal developments in China. The China's economy differs from the economies of most developed countries in many respects, including amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the China's economy has experienced significant growth in the past 40 years, the growth has been uneven across different periods, regions and among various economic sectors of China, and the rate of growth has been slowing since 2012. We cannot assure you that the China's economy will continue to grow. Further, the Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources, some of which may benefit the overall China's economy but have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. Also, in the past the Chinese government implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results. Accordingly, any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our services and adversely affect our competitive position.

Uncertainties with respect to the PRC legal system could adversely affect us.

We conduct our business primarily through our PRC subsidiaries in which we hold equity interests. Our operations in China are governed by PRC laws and regulations. Our PRC subsidiaries are subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to foreign-owned enterprises. The PRC legal system is a civil law system based on written statutes. Unlike common law system, prior court decisions may be cited for reference but have limited precedential value. In addition, any new or changes in PRC laws and regulations related to foreign investment in China could affect the business environment and our ability to operate our businesses in China.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC judicial and administrative authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to predict the outcome of a judicial or administrative proceeding than in more developed legal systems. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation. Any administrative and court proceedings in China may be protracted and result in substantial costs and diversion of resources and management attention. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may also impede our ability to enforce the contracts we have entered into, and as a result, could materially and adversely affect our business and results of operations.

Fluctuations in exchange rates may have a material adverse effect on your investment.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on our revenues, earnings and financial position as well as your investment. For example, an appreciation of the Renminbi against the U.S. dollar would make any new RMB-denominated investments or expenditures more costly to us, to the extent that we need to convert U.S. dollars into Renminbi for such purposes. An appreciation of the Renminbi against the U.S. dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our U.S. dollar-denominated financial assets into Renminbi, our reporting currency. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or Class A ordinary shares, for payment of interest expenses, for strategic acquisitions or investments or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on us. In addition, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of earnings from and the value of any U.S. dollar-denominated investments we make in the future.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited, and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Governmental control of conversion of Renminbi into foreign currencies may limit our ability to utilize our revenues effectively and affect our operations and the value of your investment.

PRC government imposes controls on the convertibility of the RMB into foreign currencies and the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Under our current corporate structure, the primary source of our income at the holding company level is dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign-currency-denominated obligations. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency needs, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our Class A ordinary shares. The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi, and most of our cash is in RMB. Under our corporate structure, Maase, a Cayman Islands holding company, primarily relies on dividend payments from our directly-held PRC subsidiaries (which are treated as foreign-invested enterprises under PRC law), namely, Fanhua Zhonglian Enterprise Image Planning (Shenzhen) Co., Ltd., and Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd., and Shenzhen Hillstar Management Consulting and formerly Puyi Consulting prior to its disposal, to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. As such, our directly-held PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from the SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. There is no assurance that the PRC government will not intervene or impose restrictions on the ability of us, our subsidiaries to transfer cash. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies from the PRC subsidiaries to the offshore subsidiaries, across borders, and to our shareholders, including holders of our Class A ordinary shares. These foreign exchange restrictions and limitations could prevent the cash maintained from leaving the PRC, and limit our ability to utilize our revenue effectively and affect our operations and the value of your investment.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents and filing requirements for overseas securities offering by offshore special purpose companies established by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase its registered capital or distribute profits to us, or may otherwise adversely affect us.

On July 4, 2014, the SAFE promulgated the Circular on Relevant Issues Relating to Foreign Exchange Administration for Overseas Investments and Financing and Round-trip Investments by Domestic Residents through Special Purpose Vehicles, or the SAFE Circular 37, which came into effect as of July 4, 2014. According to the SAFE Circular 37, prior registration with the local SAFE branch is required for PRC residents, including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose, in connection with their direct or indirect contribution of domestic assets or interests to offshore companies, known as SPVs. The SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. The SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. In February 2015, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies on Direct Investment, or the SAFE Circular 13, effective June 1, 2015. Under the SAFE Circular 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under the SAFE Circular 37, will be filed with qualified banks instead of the SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of the SAFE.

In addition to the SAFE Circular 37 and the SAFE Circular 13, our ability to conduct foreign exchange activities in China may be subject to the interpretation and enforcement of the Implementation Rules of the Administrative Measures for Individual Foreign Exchange promulgated by the SAFE in January 2007 (as amended and supplemented, the “Individual Foreign Exchange Rules”). Under the Individual Foreign Exchange Rules, any PRC individual seeking to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas must make the appropriate registrations in accordance with the SAFE provisions, the failure of which may subject such PRC individual to warnings, fines or other liabilities.

We have requested our beneficial owners who to our best knowledge are PRC residents to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. We attempt to comply, and attempt to ensure that our beneficial owners who are subject to these rules comply with the relevant requirements. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our group, and we have no control over any of our beneficial owners. Thus, we cannot provide any assurance that our current or future PRC resident beneficial owners will comply with our request to make or obtain any applicable registrations or continuously comply with all registration procedures set forth in these SAFE regulations. Such failure or inability of our PRC residents beneficial owners to comply with these SAFE regulations may subject us or our PRC residents beneficial owners to fines and legal sanctions, restrict our cross-border investment activities, or limit our PRC subsidiaries’ ability to distribute dividends to, or obtain foreign-exchange-dominated loans from, our group, or prevent us from being able to make distributions or pay dividends, as a result of which our business operations and our ability to distribute profits to you could be materially and adversely affected.

We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

We are a holding company, and we may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, albeit the fact that all the VIEs have been disposed of in September 2025, the PRC tax authorities may require us to adjust our taxable income under the contractual arrangements that our PRC subsidiaries used to have in place with the consolidated VIEs in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us.

Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such fund reaches 50% of its registered capital. At its discretion, it may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds may not be distributed to shareholders as cash dividends. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of conversion of foreign currencies into Renminbi may delay or prevent us from using any offshore cash we may have to make loans to our PRC subsidiaries or to make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries. We may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any loans to our PRC subsidiaries, which are treated as foreign invested enterprise under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiaries to finance its activities cannot exceed statutory limits and must be registered with the local counterpart of the SAFE. We may also decide to finance our PRC subsidiaries by means of capital contributions, which must be approved by MOFCOM or its local counterpart. We can use our capital funds to make domestic equity investments when the following conditions are met: (i) we shall not violate the current special management measures for the access of foreign investment (the Negative List); and (ii) domestic investment projects are true and compliant with the PRC laws and regulations. To be compliant, our capital funds shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise permitted by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) payment for the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises). In addition, any transfer of funds by Maase to our PRC subsidiaries, either as a shareholder loan or as an increase in the registered capital, is subject to a series of procedural requirements with SAFE or its local counterpart.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use any offshore cash we may have, including the proceeds we receive from any future offshore offering of equity or debts securities, and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any failure to comply with PRC regulations regarding the registration and other requirements for share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under the SAFE regulations, PRC residents who participate in a share incentive plan in an overseas publicly listed company are required to register with the SAFE or its local branches and complete certain other procedures. We and our PRC resident employees who participate in our share incentive plans are subject to these regulations. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

According to Guidelines No.1 on Application of Regulatory Rules Concerning Overseas Offering and Listing of Securities, the requirement under the Provisional Administrative Measures on Overseas Offering and Listing of Securities by Domestic Enterprises for an issuer to file with the CSRC its subsequent offering in the same securities exchange post listing does not apply to issuance of shares for: (i) stock incentive plan, (ii) conversion of reserve funds into capital increase, (iii) share dividend, or (iv) share split. Therefore, a listed enterprise issuing securities for the purpose of share incentive plan in the same overseas securities exchange is not overseas offering and listing, hence is not required to meet the filing requirement. However, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements, nor can we assure you that we will be able to complete the necessary procedures as required; if not, such failure may materially and adversely affect the equity interest in us.

The dividends we receive from our PRC subsidiaries may be subject to PRC tax under the PRC Enterprise Income Tax Law, which would likely have a material adverse effect on our financial condition and results of operations.

Pursuant to the Enterprise Income Tax Law (the “EIT Law”) and its Implementing Rules, as amended and effective on December 29, 2018 and January 20, 2025, respectively, an enterprise established outside the PRC with “*de facto* management bodies” within the PRC is considered a “resident enterprise” and shall pay income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law define *de facto* management as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. In 2009, the State Administration of Taxation, or the SAT, issued the SAT Circular 82, which further interprets the application of the EIT Law and its implementing rules to a PRC-controlled offshore enterprise. Pursuant to the SAT Circular 82, an enterprise incorporated in an offshore jurisdiction and controlled by a PRC enterprise or a PRC enterprise group will be classified as a PRC resident enterprise for tax purposes and will be subject to PRC enterprise income tax on its global income, only if (i) its senior management in charge of daily operations reside or perform their duties mainly in the PRC; (ii) its financial or personnel decisions are made or approved by bodies or persons in the PRC; (iii) its substantial assets and properties, accounting books, corporate stamps, board and shareholder minutes are kept in the PRC; and (iv) at least 50% of its directors with voting rights or senior management habitually reside in the PRC. Such PRC resident enterprise would have to pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders.

We believe that we are not a PRC resident enterprise for PRC tax purposes because we do not have a PRC enterprise or a PRC enterprise group as our primary controlling shareholder. In addition, we are not aware of any offshore company with a corporate structure similar to ours that has been deemed a PRC resident enterprise by the PRC tax authorities. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “*de facto* management body,” we will continue to monitor our tax status.

If the PRC tax authorities determine that we are a PRC resident enterprise for tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we may be subject to a 10% withholding tax from dividends we pay to our non-PRC shareholders, including the holders of our Class A ordinary shares. In addition, if such income is treated as sourced from within the PRC, non-resident shareholders including the holders of our Class A ordinary shares may be subject to PRC tax on gains realized on the sale or other disposition of Class A ordinary shares or ordinary shares, at a rate of 10% for non-PRC enterprises or a rate of 20% for non-PRC individuals, unless a reduced rate is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the Class A ordinary shares or ordinary shares.

We might be subject to penalties if our PRC subsidiaries fail to make adequate contributions to social security and housing provident fund pursuant to the relevant PRC laws and regulations.

Pursuant to the Social Insurance Law of the PRC promulgated in 2010 as amended in 2018 and the Regulations on Administration of Housing Provident Funds promulgated in 1999 as amended in 2019, an enterprise is mandatorily and unconditionally required, within a prescribed time limit, to register with the relevant social security authority and housing provident fund management center, and to open the relevant accounts and make timely contributions for their employees; failure to do so may subject the enterprise to an order for rectification, and certain fines if the enterprise fails to rectify in time. Should the relevant authorities determine that they have underpaid, such PRC entities may be required to pay outstanding contributions and penalties to the extent they did not make full contributions to the social security and housing provident funds.

On July 31, 2025, the Supreme People’s Court promulgated the Interpretation of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (“*最高人民法院关于审理劳动争议案件适用法律问题的解释（二）*”), effective on September 1, 2025, laying down express adjudicating principles for certain labor dispute issues. In particular: if an employer and an employee agree that social insurance premiums do not need to be paid, or if an employee promises the employer as much, the People’s court shall find such an agreement or promise invalid. As of the effective date, if an employer fails to pay social insurance premiums for an employee for whatever reason, it shall be found in breach of law.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Circular on Strengthening Administration of Enterprise Income Tax on Proceeds from Transfer of Non-Resident Enterprise Equity Interest, or the SAT Circular 698, promulgated by the SAT in 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-resident enterprise, being the transferor, shall report to the competent tax authority of the PRC resident enterprise this Indirect Transfer.

In February 2015, the SAT promulgated an Announcement on Certain Enterprise Income Tax Matters Regarding Indirect Transfer of Properties between Non-resident Enterprises, or the SAT Circular 7, which supersedes the rules with respect to the Indirect Transfer under the SAT Circular 698, but does not touch upon the other provisions of the SAT Circular 698, which remain in force. The SAT Circular 7 extends its tax jurisdiction to not only Indirect Transfers set forth under the SAT Circular 698 but also transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, the SAT Circular 7 provides clearer criteria than the SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. The SAT Circular 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

In October 2017, the SAT promulgated an Announcement on Issues Relating to Withholding at Source of Income Tax Payable by Non-resident Enterprises, or the SAT Circular 37, effective December 2017, which, among others, repealed the Circular 698 and amended certain provisions in the SAT Circular 7. According to the SAT Circular 37, where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the Enterprise Income Tax, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority. However, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax on time.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if acting as transferor in such transactions, and may be subject to withholding obligations if acting as transferee in such transactions, under the SAT Circular 7 and the SAT Circular 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the SAT circulars. As a result, we may be required to expend valuable resources to comply with the SAT circulars or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

The approval, filing and/or other requirements of the CSRC or other PRC governmental authorities are not required as we have already completed our IPO overseas before promulgation of the recent PRC regulatory rules, regulations or policies in connection with overseas offering and listing; however, if there is going to be any new offering, listing or re-financing activities, we are required to comply with the filing requirements once the application for registration of new offering, listing or re-financing activities is submitted overseas and we cannot predict whether or how soon we will be able to comply with such filing requirements.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council promulgated the Opinions on Strictly Cracking Down Illegal Securities Activities in accordance with the Law (the “Opinions on Securities Activities”), which announced the plans to take effective measures to enhance the administration over illegal securities activities and the supervision on the offering and listing of securities by PRC domestic companies in an overseas market, including to promote the construction of relevant regulatory systems.

On December 24, 2021, the CSRC promulgated the Administrative Provisions of the State Council on Overseas Offering and Listing of Securities by Domestic Enterprises (Draft for Comments), and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Enterprises of Overseas Securities Issuance and Listing (Draft for Comments), which, if become effective, (i) require a PRC domestic company seeking securities offering and listing of securities in an overseas market, directly or indirectly, to file the required documents with the CSRC within three working days after such application for overseas offering and/or listing of securities is submitted, and (ii) stipulate certain circumstances under which overseas offering and/or listing of securities is prohibited as well as the measures to be taken by the CSRC against a PRC domestic company in any of such circumstances prior to the overseas offering and/or listing of securities, such as postponement or termination of the proposed overseas offering and listing of securities, and canceling the corresponding filing on the conditions that the proposed overseas offering and/or listing of securities or cancellation of the corresponding filing in the event that the application documents for the proposed overseas offering and/or listing of securities have already been filed.

The above regulations have been integrated into the latest Provisional Administrative Measures on Overseas Offering and Listing of Securities by Domestic Enterprises promulgated by CSRC on February 17, 2023, which took effect on March 31, 2023; thereafter, the CSRC promulgated seven Guidelines for Application of Regulatory Rules concerning overseas offering and listing of securities, with immediate effect (hereinafter collectively referred to as the “Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities”). The aforementioned Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities require a PRC domestic company seeking initial public offering and/or listing of securities on an overseas market, directly or indirectly, to file the required documents with the CSRC within three working days after such application for overseas offering and/or listing is submitted overseas. The Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities provide for five circumstances under which overseas offering and listing of securities are prohibited; any PRC domestic company falling under any of such circumstances prior to its overseas offering and/or listing of securities shall suspend or terminate its overseas offering and/or listing of securities and report to the CSRC and other competent authorities under the State Council in a timely manner, otherwise it may be subject to penalty imposed by the CSRC. As per the relevant CSRC Answers to Reporter Questions on the official website of the CSRC, we have completed the overseas initial public offering of securities prior to the date on which the Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities took effect, hence fall within the ambit of existing enterprises. Existing enterprises are not required to make immediate filing thus far; however, they shall comply with the filing requirements with the CSRC in the event of subsequent re-financing or other activities requiring filing. Therefore, the above filing requirement could significantly limit or completely hinder our future offering of securities to investors.

On December 28, 2021, the Measures for Cyber Security Review (2021) was released, which stipulates, among others, that the procurement of network products and services by critical information infrastructure operators and the data processing activities conducted by network platform operators which affect or may affect national security shall be subject to cybersecurity review. On August 20, 2021, the Personal Information Protection Law (the “PIPL”) was promulgated, effective on November 1, 2021. The PIPL provides for the rights and obligations of personal information processors, with particular emphasis on requirements for cross-border information transfer. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Any failure to protect our clients’ privacy and confidential information could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.”

As per the Provisional Administrative Measures on Overseas Offering and Listing of Securities by Domestic Enterprises, our future offering of securities overseas and the listing of our Class A ordinary shares resulting therefrom shall be filed with the CSRC. Furthermore, the PRC governmental authorities may have wide discretion on its interpretation and enforcement of the above regulations, and we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on any of our future proposed offering of securities overseas or the listing of our Class A ordinary shares. It is uncertain whether we can or how long it will take us to comply with such requirements. Any failure to comply with such requirements may subject us to regulatory actions or other sanctions from the CSRC or other PRC governmental authorities, which may have a material adverse effect on our business, financial conditions or results of operations.

There are difficulties in bringing actions and enforcing foreign judgments in China against us, our management or our assets.

We are incorporated in the Cayman Islands, but most of our and our subsidiaries' operations are conducted in the PRC and most of our and our subsidiaries' assets are located in the PRC. In addition, all of our directors and officers are nationals and/or residents of the PRC, and all or a substantial portion of their assets are located in the PRC. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe we have violated your rights or have a claim against us, either under United States federal or state securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may not allow you to enforce a judgment against our assets or the assets of our directors and officers.

It may also be difficult for our shareholders to effect service of process upon us or those persons inside Mainland China. As advised by our PRC legal counsel, China currently does not have treaties providing for the reciprocal recognition and enforcement of court judgments with the Cayman Islands, United States and many other countries and regions. Therefore, with respect to matters that are not subject to a binding arbitration provision, it may be difficult or impossible to recognize and enforce judgments of any of those non-PRC jurisdictions in a China court.

According to the Administrative Measures for Personal Information Protection Compliance Audits, we may be obliged to carry out compliance audit (or have compliance audit carried out) on personal information protection every year.

According to the Administrative Measures for Personal Information Protection Compliance Audits (hereinafter referred to as the "Administrative Measures"), (i) a personal information processor that processes the personal information of more than 10 million individuals shall carry out a personal information protection compliance audit at least once every two years; (ii) a personal information processor that processes the personal information of 1 million individuals or more shall appoint a personal information protection officer to be responsible for the processor's personal information protection compliance audits. Since inception, we have had over 20.3 million individual customers who have purchased insurance products and wealth management products through us. There is uncertainty on the timeline for the implementation of the Administrative Measures and the interpretation of the Administrative Measures lacks clarity. Once the Administrative Measures takes effect, we may be obliged to carry out a compliance audit (or have a compliance audit carried out) on personal information protection every two year, otherwise we may be investigated for criminal liability in accordance with the law.

Risks Related to our Ordinary Shares

We may be unable to comply with the applicable continued listing requirements of Nasdaq.

Our Class A ordinary shares are currently listed on Nasdaq. In order to maintain this listing, we must satisfy minimum financial and other continued listing requirements and standards, including a minimum closing bid price requirement of \$1.00 per share. On November 21, 2024, we were notified by the Listing Qualifications Department of Nasdaq that the closing bid price per share for our ADSs previously representing our Class A ordinary shares was below US\$1.00 for a period of 35 consecutive business days and that the Company was not in compliance with the minimum bid price requirement set forth in Nasdaq Listing Rule 5450(a)(1) (the "Minimum Bid Price Requirement"). The Company had been provided with a compliance period of 180 calendar days to regain compliance with the Minimum Bid Price Requirement. In order to regain compliance with the minimum bid price requirement, we changed our ADS ratio from 2 ADS representing 3 Class A ordinary shares to 1 ADS representing 90 Class A ordinary shares, effective April 14, 2025. On April 29, 2025, Nasdaq provided confirmation to the Company that for the last 10 consecutive business days, from April 14, 2025 to April 28, 2025, the closing bid price of the Company's ADSs has been at \$1.00 per share or greater. Accordingly, the Company has regained compliance with Nasdaq Listing Rule 5450(a)(1) and the matter is now closed.

There can be no assurance that we will be able to maintain compliance with the applicable listing standards in the future. For example, if we were to fail to meet the minimum bid price requirement for 30 consecutive business days, we could become subject to delisting. Although Nasdaq may provide us with a compliance period in which to regain compliance with the minimum bid price requirement, we cannot assure you that we would be able to regain compliance within the period provided by Nasdaq. In order to regain compliance with such requirement, the closing bid price of our Class A ordinary share would need to meet or exceed \$1.00 per share for at least 10 consecutive business days during the compliance period. If we were not able to regain compliance within the allotted compliance period for this requirement or any other applicable listing standard, including any extensions that may be granted by Nasdaq, our Class A ordinary shares would be subject to delisting. In the event that our Class A ordinary shares are delisted from Nasdaq and are not eligible for quotation or listing of securities on another market or exchange, trading of our Class A ordinary shares could be conducted only in the over-the-counter market established for unlisted securities such as OTC Markets. In such event, it could become more difficult to dispose of, or obtain accurate price quotations for our Class A ordinary shares, which could cause the price of our Class A ordinary shares to decline further.

The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our Class A ordinary shares.

We conduct our business in China primarily through our PRC subsidiaries in which we hold equity interest and the consolidated VIEs of which we could direct the operational activities in China through contractual arrangements. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight over the conduct of our business, and it regulates and may intervene our operations, which could result in a material adverse change in our operations and/or the value of our Class A ordinary shares. Also, the PRC government has recently exerted more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. The Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities promulgated by the CSRC have provided expressly that a PRC domestic company applying for subsequent offering and listing of securities on the same overseas market or applying for offering and listing of securities on another overseas market after its IPO shall comply with the filing requirements with the CSRC within three working days after such application is submitted overseas. According to the Answers to Reporter Questions, we have completed our overseas IPO of Class A ordinary shares prior to the taking effect of the Administrative Measures and Supporting Guidelines on Overseas Offering and Listing of Securities, hence we fall within the ambit of existing enterprises as referenced in the Answers to Reporter Questions and are not required to make immediate filing thus far; however, we shall comply with the filing requirements with the CSRC as required in the event of subsequent re-financing or other activities requiring filing. Meanwhile, it is stated in the Answers to Reporter Questions that the CSRC will accept filing of those enterprises with VIE structure meeting the compliance requirements for overseas listing, to support companies' growth by utilizing two markets and two resources. However, the practice of determining whether a company with VIE structure has met the compliance requirements is yet to be clarified by the CSRC. Therefore, our future offering of securities to investors may be significantly limited or completely hindered. In addition, implementation of industry-wide regulations directly targeting our operations could cause our securities to significantly decline in value or become worthless. Therefore, our investors face potential uncertainty from actions taken by the PRC government affecting our business.

If the PCAOB is unable to adequately inspect our auditors as required under the Holding Foreign Companies Accountable Act, the SEC will prohibit the trading of our Class A ordinary shares. A trading prohibition may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections of our auditors deprives our investors of the benefits of such inspections, which could cause investors and potential investors in the Class A ordinary shares to lose confidence in the audit procedures and reported financial information and the quality of our financial statements.

Pursuant to the HFCA Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued the PCAOB Determinations that they were unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong SAR. The report sets forth lists identifying the registered public accounting firms headquartered in mainland China and Hong Kong SAR, respectively, that the PCAOB was unable to inspect or investigate completely, and our former auditor was on such lists.

On December 15, 2022, the PCAOB announced that it has secured complete access to inspect and investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong SAR. The PCAOB also vacated its previous determinations issued in December 2021. Our current auditor, Enrome LLP, is headquartered in Singapore and subject to inspection by the PCAOB. Our current auditor was not among the PCAOB-registered public accounting firms headquartered in mainland China or Hong Kong that were subject to PCAOB's determinations. As a result, we do not believe we are at risk of having our securities subject to a trading prohibition under the HFCA Act unless a new determination is made by the PCAOB.

However, each year, the PCAOB determines whether it can inspect and investigate completely audit firms in mainland China and Hong Kong SAR, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong SAR and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCA Act, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. The prospect and implications of possible regulation on this subject, in addition to the prevailing requirements of the HFCA Act, are uncertain. Such uncertainty could cause the market price of our ADSs to be materially and adversely affected, and our securities could be delisted or prohibited from being traded "over-the-counter" earlier than would be required by the HFCA Act as it currently provides. If our securities are unable to be listed on another securities exchange by then, such a delisting would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

Our results of operations and the value of our Class A ordinary shares may be affected by geopolitical events, trade tensions and other developments beyond our control, which may in turn adversely affect the economic and market conditions in China and globally.

There have been concerns over unrest, terrorist threats and the potential for war in the Middle East, Europe and elsewhere, as well as over the increasing of conflicts involving Ukraine, Syria, Kosovo, Serbia, Sudan, Kashmir and North Korea. For example, the military conflict between Russia and Ukraine has resulted in an escalated regional instability, amplified the existing geopolitical tension among Russia and other countries in the region and in the west, as well as adversely affected commodity and other financial markets or economic conditions. The Russia-Ukraine conflict has increased uncertainties to the already heightened tensions in international economic relations. The United States, European Union, the United Kingdom, Switzerland and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities and/or individuals, which could adversely affect the global economy and financial markets, even though we do not have any direct exposure to Russia or the adjoining geographic regions. The duration of such military conflict and the related sanctions, as well as their impact on the global financial markets, cannot be predicted.

There have also been concerns on the relationship between China and other countries, including the U.S. and the surrounding Asian countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Although cross-border business may not be an area of our focus, if we plan to expand our business internationally in the future, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our products and services, impact our competitive position, or prevent us from being able to conduct business in certain countries. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. The U.S. government used to impose higher tariffs on certain products imported from China to penalize China for what it characterized as unfair trade practices. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade, tax policy related to international commerce, or other trade matters. Furthermore, there is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by central banks and financial authorities in some of the world's leading economies, including the United States and China.

The market price for our Class A ordinary shares may continue to be volatile.

The trading prices of our Class A ordinary shares or previously ADSs have been, and are likely to continue to be, volatile and could fluctuate widely due to factors beyond our control. In addition, securities markets may from time-to-time experience significant price and volume fluctuations that may or may not relate to our operating performance, which may have a material and adverse effect on the market price of our Class A ordinary shares. In particular, volatility in the PRC stock markets in the last few years has resulted in some volatility in the trading prices of most PRC-based companies in the United States. The market price for our Class A ordinary shares is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- regulatory developments in our target markets affecting us, our clients or our competitors;
- announcements of studies and reports relating to the quality of our products and services or those of our competitors;
- changes in the economic performance or market valuations of other companies that provide wealth management services;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the wealth management services industry;
- announcements by us or our competitors of new services, acquisitions, strategic relationships, joint ventures or capital commitments;
- addition or departure of our senior management;
- fluctuations of exchange rates between the Renminbi and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares; and
- sales or perceived potential sales of additional ordinary shares.

In addition, the securities market has from time-to-time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ordinary shares.

Under our dual-class share structure with different voting rights, holders of Class B ordinary shares have complete control of the outcome of matters put to a vote of shareholders, which may limit ability of holders of our Class A ordinary shares to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares may view as beneficial.

We have adopted a dual-class share structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of shareholders, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to 100 votes. Each Class B ordinary share is convertible into one Class A ordinary share, at the option of the holder, subject to approval by two-thirds of our Board of Directors. In no event shall Class A ordinary shares be convertible into Class B ordinary shares under any circumstances. Class B ordinary shares shall be automatically and immediately converted into an equal number of Class A ordinary shares under the following circumstances: (i) if the holder is an employee, upon the termination of their employment with the Company; (ii) if the holder is a Director, upon their resignation or removal from the Board of Directors; and (iii) if the holder is a wholly-owned company (“Owned Company”) of a Director, senior management, or an existing shareholder, upon the individual ceasing to wholly own the Owned Company. Each Class B ordinary share confers upon the holder: (a) no right to any share in any dividend or distribution paid by the Company and (b) no right to any share in the distribution of the surplus assets of the Company upon liquidation or otherwise, and no Class B ordinary share may be sold, transferred, assigned, pledged, or otherwise disposed of, or used as collateral for loans or any obligations.

As of the date of this annual report, Moonlit Group Ltd. beneficially owned 2,223 Class A ordinary shares and 5,555,556 Class B ordinary shares, in aggregate representing 1.74% of our total issued and outstanding share capital and 56.7% of our aggregate voting power, while Equality Group Ltd. beneficially owned 1,112 Class A ordinary shares and 1,111,112 Class B ordinary shares, in aggregate representing 0.35% of our total issued and outstanding share capital and 11.34% of our aggregate voting power. As a result of this dual-class share structure, the holders of our Class B ordinary shares have significant control over the outcome of matters put to a vote of shareholders and have significant influence over our business, including decisions regarding mergers, consolidations, liquidations and the sale of our assets, election of directors and other significant corporate actions. The holders of Class B ordinary shares control the outcome of a shareholder vote (i) with respect to matters requiring an ordinary resolution which requires the affirmative vote of a simple majority of shareholder votes; and (ii) with respect to matters requiring a special resolution which requires the affirmative vote of no less than two-thirds of shareholder votes. The holders of Class B ordinary shares may take actions that are not in the best interest of us or our other shareholders. It may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the Class A ordinary shares. This concentrated control will limit the ability of the holders of our Class A ordinary shares to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares may view as beneficial.

We do not expect to pay dividends in the foreseeable future and you may have to rely on price appreciation of our Class A ordinary shares for any return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Class A ordinary shares as a source of future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Class A ordinary shares will likely depend entirely upon any future price appreciation of our Class A ordinary shares. There is no guarantee that our Class A ordinary shares will appreciate in value or even maintain the price at which you purchased the Class A ordinary shares. You may not realize a return on your investment in our Class A ordinary shares and you may even lose your entire investment in our Class A ordinary shares.

Substantial future sales or perceived potential sales of our Class A ordinary shares in the public market could cause the price of our Class A ordinary shares to decline.

Additional sales of our Class A ordinary shares or ordinary shares in the public market, or the perception that these sales could occur, could cause the market price of our Class A ordinary shares to decline. As of the date of this annual report, we have 319,814,024 ordinary shares outstanding, including 313,147,356 Class A ordinary shares and 6,666,668 Class B ordinary shares. 1,139,246 Class A ordinary shares are freely transferable without restriction or additional registration under the Securities Act. The remaining Class A ordinary shares outstanding and Class A ordinary shares convertible from Class B ordinary shares will be available for sale, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act.

Certain holders of our ordinary shares have the right to cause us to register under the Securities Act the sale of their shares. Registration of these shares under the Securities Act would result in Class A ordinary shares representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the public market could cause the price of our Class A ordinary shares to decline.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under Cayman Islands law, we conduct substantially all of our operations in China and all of our directors and officers reside outside the United States.

We are incorporated in the Cayman Islands, and conduct substantially all of our operations in China through our PRC subsidiaries. All of our directors and officers reside outside the United States and a substantial portion of their assets are located outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the Cayman Islands or in China in the event that you believe that your rights have been infringed under the securities laws or otherwise. Even if you are successful in bringing an action of this kind against us, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officer depending on where these individuals and/or assets are located. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Act (as amended) and common law of the Cayman Islands. The rights of shareholders to take legal action against us and our directors, actions by minority shareholders and the fiduciary responsibilities of our directors are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands (as compared to the United States) as well as from English common law, which provides persuasive, but not binding, authority on a court in the Cayman Islands (except for those decisions handed down from the Judicial Committee of the Privy Council to the extent that these have been appealed from the Cayman Islands courts). The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are broadly similar to those in other common law jurisdictions, but there may be differences in the statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws than the United States. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, our management, our directors or our major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

Our memorandum and articles of association contain anti-takeover provisions that could adversely affect the rights of holders of our Class A ordinary shares by limiting their opportunities to sell them at a premium.

Our memorandum and articles of association contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants to our board of directors the authority to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. The provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third-parties from seeking to obtain control of our company in a tender offer or similar transactions.

We may be classified as a passive foreign investment company under U.S. tax law, which could result in adverse U.S. federal income tax consequences to U.S. holders of our Class A ordinary shares.

Depending upon the value of our assets (based, in part, on the market value of our Class A ordinary shares) and the nature of our assets and income over time, we could be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. Based on the price of our Class A ordinary shares, the value of our assets, and the composition of our income and assets, we do not expect to be classified as a PFIC for the current taxable year. While we do not anticipate becoming a PFIC for the current taxable year, fluctuations in the market price of our Class A ordinary shares may cause us to become a PFIC for the current or any subsequent taxable year.

We will be classified as a PFIC for any taxable year if either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Because of the uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and the value of our active versus passive assets, there can be no assurance that we will not be a PFIC for our current taxable year or any future taxable year. The overall level of our passive assets will be affected by our liquid assets and cash. Under circumstances where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC would substantially increase.

If we were to be or become classified as a PFIC, a U.S. holder (as defined in “Taxation — U.S. Federal Income Tax Considerations — General”) may be subject to reporting requirements and may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the Class A ordinary shares or ordinary shares and on the receipt of distributions on the Class A ordinary shares or ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under the United States federal income tax rules. Further, if we were a PFIC for any year during which a U.S. holder held our Class A ordinary shares or ordinary shares, we would continue to be treated as a PFIC for all succeeding years during which such U.S. holder held our Class A ordinary shares or ordinary shares. You are urged to consult your tax advisor concerning the United States federal income tax consequences of acquiring, holding, and disposing of Class A ordinary shares or ordinary shares if we are or become classified as a PFIC. See “Item 10. Additional Information — E. Taxation — U.S. Federal Income Tax Considerations — Passive Foreign Investment Company Considerations.”

ITEM 4. INFORMATION ON OUR GROUP

A. History and Development of Our Group

We commenced our wealth management services business in November 2010 when our founder Mr. Yu Haifeng, founded Fanhua Puyi Investment Management Co., Ltd. (泛华普益投资管理有限公司, or “Fanhua Puyi”). Fanhua Puyi was renamed as Fanhua Puyi Fund Distribution Co., Ltd. (泛华普益基金销售有限公司) in March 2013.

In August 2018, we incorporated Puyi Inc. as our offshore holding company in the Cayman Islands. In July 2018, we incorporated Puyi Group Limited in the British Virgin Islands, which became the wholly owned subsidiary of Puyi Inc. in August 2018. In July 2018, we incorporated Puyi Holdings (Hong Kong) Limited, or Puyi HK, which became the wholly owned subsidiary of Puyi Group Limited in August 2018.

In August 2018, Puyi Enterprises Management Consulting Co., Ltd. (普益企业管理咨询有限公司) was incorporated by Puyi HK as a wholly-owned subsidiary in Chengdu, Sichuan, PRC, which we refer to as Puyi Consulting or our wholly foreign owned enterprise (“Former WFOE”) in this annual report. In December 2018, our Former WFOE acquired 100% equity interest of Shenzhen Baoying Factoring Co., Ltd. (深圳宝盈商业保理有限公司, or “Shenzhen Baoying”) from Guangdong Puyi Asset Management Co., Ltd. (广东普益资产管理有限公司, or “Puyi Asset Management”) (previously known as Guangdong Fanhua Puyi Asset Management Co., Ltd.) and a third-party, and Shenzhen Baoying was deregistered in July 2020. In May 2020, Puyi Dake Information Technology Co., Ltd. (普益达科信息技术有限公司, or “Puyi Dake”) was established as a wholly-owned subsidiary of our Former WFOE. In May 2023, Puyi Family Office (Guangdong Hengqin Guangdong-Macao Deep Cooperation Zone) Consulting Co., Ltd. (普益家办 (广东横琴粤澳深度合作区) 咨询有限公司) was established as a wholly-owned subsidiary of our Former WFOE, which was later terminated and substituted by Puyi Family Office (Chengdu) Enterprises Management Consulting Co., Ltd. Puyi (普益家办 (成都) 企业管理咨询有限公司, or “Puyi Family Office”), which then was sold to Fanhua Puyi Family Office (Beijing) Co., Ltd in December 2023. In October 2023, Chengdu Yihuitong Information Technology Co., Ltd. was established as a wholly-owned subsidiary of our Former WFOE.

In 2018, we transferred a number of entities with related businesses under the control of Mr. Yu Haifeng to become subsidiaries of Chengdu Puyi Bohui Information Technology Co., Ltd. (成都普益博汇信息技术有限公司, or “Puyi Bohui”), our variable interest entity (“VIE”). Puyi Bohui is primarily engaged in providing information technology services to the financial services industry in China. The entities transferred to Puyi Bohui included (i) Fanhua Puyi, which is primarily engaged in the wealth management services business. 15.4% of Fanhua Puyi’s shares were transferred to Beijing Fanlian Investment Co., Ltd. in December 2023; (ii) Puyi Asset Management, which primarily operates our FoF business. Puyi Asset Management had one subsidiary, Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (深圳前海中惠惠冠投资管理有限公司, or “Zhonghui”), in which Puyi Asset Management holds 51% equity interest (acquired in July 2018), and which primarily handles the management of our non-performing loan portfolio. Zhonghui was sold to a third-party in December 2020, and had been divested from our consolidated financial statement since then; (iii) Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. (深圳普益众享信息科技有限公司, or “Shenzhen Zhongxiang”), which historically distributed exchange administered products. Shenzhen Zhongxiang was sold to a third-party in March 2023, and had been divested from our consolidated financial statement since then; and (iv) Chongqing Fengyi Management Consulting Co., Ltd. (重庆锋毅企业管理咨询有限公司, or “Chongqing Fengyi”), which historically operated our corporate finance service business and now provides client service.

On March 29, 2019, our Class A ordinary shares commenced trading on the NASDAQ Global Market under the symbol “PUYI.” We raised approximately US\$22.4 million in net proceeds from the initial public offerings after deducting underwriting commissions and the offering expenses payable by us. In connection with the name change on March 13, 2024, our ticker symbol was simultaneously changed to “HPH.”

In December 2023, we successfully completed a share exchange transaction with certain shareholders of AIFU, pursuant to which we acquired a controlling 50.10% equity interest in AIFU, marking our expansion into insurance agency and claims adjusting services. AIFU, a listed company on Nasdaq, and its subsidiaries became our controlled subsidiaries since then. As a result, we have consolidated the financial results of AIFU into our consolidated financial statements in accordance with U.S. GAAP. Our shareholdings in AIFU were 27.98% with a voting power of 50.47% as of June 30, 2025.

On March 13, 2024, our shareholders approved the change of our company name from Puyi Inc. to Highest Performances Holdings Inc.

In December 2024, we, through AIFU, divested our online insurance operations and in January 2025 divested our claims adjusting business to focus on our core insurance agency business.

On April 14, 2025, we adjusted our ADS ratio from two (2) ADSs representing three (3) Class A ordinary shares to one (1) ADS representing ninety (90) Class A ordinary shares.

Effective on May 5, 2025, our ticker symbol changed from “HPH” to “MAAS”. On June 3, 2025, in connection with the new ticker symbol, our shareholders approved the change of our company name from Highest Performances Holdings Inc. to Maase Inc.

Subsequently, on June 20, 2025, all of our outstanding ADSs were exchanged for the underlying Class A ordinary shares. Following this exchange, trading of our ADSs on Nasdaq and our ADR facility were terminated.

Following the termination of the ADR facility, we effected a Share Consolidation on June 23, 2025, consolidating every ninety (90) existing ordinary shares, each with a par value of US\$0.001, into one (1) new ordinary share, each with a par value of US\$0.09. Any fractional shares resulting from the consolidation were rounded up to the nearest whole share.

The post-consolidation Class A ordinary shares, each with a par value of US\$0.09, commenced trading on Nasdaq on June 23, 2025 under the same ticker symbol of “MAAS”.

In August 2025, we completed a strategic acquisition of 100% of the equity interests in Carve Group Ltd. (“Carve”), which indirectly holds 100% equity interests of Zhongshen Resources Development (Liaoning) Co., Ltd. (“Zhongshen”), a premium wild ginseng resource holder, and Glyken Bird Nest Technology (Shenzhen) Co., Ltd. (“Glyken”), and Glyken, a pioneering bird’s nest biotech company specializing in enzymatic hydrolysis and peptide extraction. The acquisition marked our successful expansion into the health industry. As a result, we will consolidate the financial results of Carve Group Ltd. into our consolidated financial statements in accordance with U.S. GAAP starting from September, 2025.

In September 2025, we divested the operating entities of our wealth management segment and ceased all wealth management operations thereafter.

In October 2025, we completed a strategic acquisition of 100% of the equity interests in Real Prospect Limited (“Real Prospect”), which indirectly holds 100% equity interests of Qingdao Youdian New Energy Technology Co., Ltd., and 49% equity interest in Qingdao Huiju Laixi Intelligent Technology Co., Ltd. The acquisition marked our successful expansion into smart-technology industries. As a result, we will consolidate the financial results of Real Prospect into our consolidated financial statements in accordance with U.S. GAAP starting from October, 2025.

Due to the PRC legal restrictions on foreign investment in wealth and asset management businesses when our group was established, which restrictions were later removed from the Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Edition), we conducted a significant portion of our wealth management business through contractual arrangements between Maase’s Former VIEs and Former WFOE until the disposal of the segment in September 2025. Similarly, AIFU operated its internet-based insurance distribution business through contractual arrangements between AIFU’s Former VIEs and its subsidiaries until December 2024 due to certain restrictions and conditions imposed by PRC laws and regulations on foreign ownership in certain internet-based businesses. As a result of the contractual arrangements entered into among our subsidiaries, the VIEs and their nominee shareholders, we treat the VIEs as our consolidated affiliated entities under U.S. GAAP, and accordingly we have consolidated the financial results of the VIEs into our consolidated financial statements in accordance with U.S. GAAP. For similar reasons, AIFU had consolidated the financial results of its VIEs into its consolidated financial statements in accordance with U.S. GAAP until December 2024.

Corporate Information

Our principal executive offices are located at 12F, Block B, Longhu Xicheng Tianjie, No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu, Sichuan Province, People's Republic of China, 610036. Our telephone number is +86-028-86762596. Our registered office in the Cayman Islands is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. We maintain our website at <https://ir.maaseai.com>.

Major Transactions

Change of Share Ownership in AIFU

On December 27, 2023, we entered into share exchange agreements with certain shareholders of AIFU, pursuant to which such shareholders agreed to exchange an aggregate of 568,226,628 ordinary shares of AIFU (equivalent to 710,284 Class A ordinary shares of AIFU giving effect to its 1-for-400 share Reverse Share Split effected on May 21, 2025 ("Reverse Share Split")) beneficially owned by them for an aggregate of 284,113,314 newly issued ordinary shares of Maase (equivalent to 3,156,815 Class A ordinary shares of Maase after the Share Consolidation). Upon completion of the transactions on December 31, 2023, we owned approximately 50.10% of AIFU's equity interests.

On various dates from May 2024 to August 2024, we purchased 1,168,708 ADSs, previously representing 23,374,160 Class A ordinary shares of AIFU (equivalent to 58,436 Class A ordinary shares of AIFU giving effect to the Reverse Share Split) on the open market for an aggregate purchase price of US\$2.80, bringing the total number of Class A ordinary shares that we owned in AIFU to 591,600,788 (equivalent to 1,479,002 Class A ordinary shares of AIFU giving effect to the Reverse Share Split).

On December 30, 2024, AIFU entered into a share subscription agreement with us and Infinew Limited, pursuant to which AIFU agreed to issue to us and Infinew Limited 510,000,000 Class B ordinary shares (equivalent to 1,275,000 Class B ordinary shares of AIFU giving effect to the Reverse Share Split) and 490,000,000 class B ordinary shares (equivalent to 1,225,000 Class B ordinary shares giving effect to the Reverse Share Split), respectively, (the "Subscription Shares"), at a price of US\$0.001 per Subscription Share, for a total consideration of US\$510,000 and US\$490,000. The issuance of the Subscription Shares ("Issuance") has been completed on January 2, 2025.

On May 6, 2025, we sold 2,353,617 ADSs, previously representing 47,072,340 Class A ordinary shares of AIFU (equivalent to 117,681 Class A ordinary shares of AIFU giving effect to the Reverse Share Split), at a weighted average price of US\$0.2215 per ADS, or US\$521,284.29 in aggregate in open market sales.

On May 8, 2025, we entered into a Share Purchase and Sale Agreement with each of QT Management Company Limited, Great Name Group Limited, Innovation Global Financial Group Limited and American Magpie News Company Limited (collectively the "Investors"). Under the agreements, we sold an aggregate of 397,418,628 Class A ordinary shares of AIFU (equivalent to 993,547 Class A ordinary shares of AIFU giving effect to the Reverse Share Split) to the Investors for a total consideration of US\$3,469,465. Upon completion of the transaction, we beneficially owned 147,109,820 Class A ordinary shares of AIFU (equivalent to 367,774 Class A ordinary shares of AIFU giving effect to the Reverse Share Split) and 510,000,000 Class B ordinary shares of AIFU (equivalent to 1,275,000 Class B ordinary shares of AIFU).

On May 21, AIFU implemented a reverse stock split, consolidating every 400 existing ordinary shares of a par value \$0.001 per share into one new ordinary share of a par value \$0.4 per share. As a result, as of June 30, 2025, we beneficially owned 367,774 Class A ordinary shares of AIFU of a par value of US\$0.4 per share and 1,275,000 Class B ordinary shares of AIFU of a par value of US\$0.4 per share on a consolidated basis, representing 27.98% of AIFU's then outstanding ordinary shares and 50.47% of its then voting power.

On July 23, 2025, AIFU completed a private placement, issuing and selling 10,000,000 Class A ordinary shares with a par value of US\$0.4 to several investors. As a result, our ownership in AIFU was diluted to 10.35% of its total outstanding ordinary shares and 48.55% of its voting power. We remain to be the largest shareholder of AIFU by voting power.

Disposal of Subsidiaries by AIFU

(i) In 2024, AIFU disposed of its 100% equity interests in four subsidiaries, including two insurance agencies, Jiangsu Fanhua Lianchuang Insurance Agency Co., Ltd. and Zhejiang Fanhua Tongchuang Insurance Agency Co., Ltd., for a total consideration of RMB1.9 million (US\$0.3 million), of which RMB1.8 million (US\$0.3 million) has been settled as of December 31, 2024. We recognized a gain of RMB2.0 million (US\$0.3 million) on disposal of these subsidiaries, which was determined based on the excess of the sales consideration over the net book value of the subsidiaries at the time of disposal.

(ii) On October 26, 2015, AIFU established control over Fanhua Insurance Surveyors & Loss Adjustors Co., Ltd. ("FHISLA"), the operating entity of its claims adjusting segment, through act-in-concert agreements. Following the mutual consent to terminate these agreements, effective February 1, 2025, the Group no longer maintained control over FHISLA. Subsequently, the Board of Directors of AIFU resolved to divest the Company's entire interest in the claims adjusting business. In January 2025, AIFU executed this decision by disposing of its 100% equity interest in Guangdong Meidiya Investment Co., Ltd. ("Meidiya"), which held an approximate 44.6% stake in FHISLA, to a third party for a consideration of RMB 30.24 million (approximately US\$4.2 million). In January 2025, AIFU entered into agreement to dispose of its 100% equity interests in Guangdong Meidiya Investment Co., Ltd. ("Meidiya"), which holds approximately 44.6% of the equity interests of FHISLA, to a third party for a consideration of RMB30.24 million (the "Transaction"). The price was based on the net asset value of Meidiya following a profit distribution to Fanhua Group Company. As part of the Transaction, the buyer also agreed to assume the liabilities of FHISLA up to a maximum amount of RMB43.5 million (US\$6.1 million). Accordingly, AIFU recognized a disposal gain of around RM2.0 million (US \$0.3 million) in the first half of 2025.

(iii) In February 2025, AIFU transferred its 100% equity interests in Shenzhen Dianlian Information Technology Co., Ltd., the operating entity of eHuzhu mutual aid platform, to its wholly-owned subsidiary Fanhua Blueplus Health Management Co., Ltd. ("Blueplus"). Subsequently, it disposed of its 100% equity interests in Blueplus for a consideration of RMB3.0 million (US\$0.4 million) based on its net asset value as of December 31, 2024.

Private Placement and Warrant Offering

On July 3, 2025, we entered into a definitive share purchase agreement (the "Agreement") for a private placement and warrant offering with certain investors. Pursuant to the Agreement, the investors have agreed to subscribe for, and the Company has agreed to issue and sell to the investors, (i) an aggregate of 10,000,000 Class A ordinary shares, par value US\$0.09 per share, of the Company, at a purchase price of \$2.08 per Class A ordinary share (the "Per Share Purchase Price") ("Share Issuance") and (ii) warrants to purchase up to 20,000,000 additional Class A ordinary shares of the Company. The Share Issuance has been completed on July 18, 2025, generating approximately \$21 million in gross proceeds. The exercise price of the warrants is structured in two tranches: 50% of the warrants are exercisable at 200% of the Per Share Purchase Price, with the remaining 50% exercisable at 250%. The warrants have become exercisable on October 18, 2025 and will expire on October 18, 2030.

Disposal of Wealth Management Segment

On September 26, 2025, we entered into a share sales and purchases agreement (the “Agreement”) with Echoes Group Ltd (“Echoes Group”), for the sales of 100% of the equity interests in Puyi Group as well as all equity interests in subsidiaries directly or contractually controlled by Puyi Group (collectively, “Target Companies”), for a total cash consideration of RMB70.0 million. The transaction has been completed by September 30, 2025, with 15% of the consideration has been paid prior to the completion of the transaction and the remaining to be paid on or prior to September 30, 2026.

The Target Companies include include: (i) Puyi Holdings (Hong Kong) Limited (“Puyi HK”), a wholly owned subsidiary of Puyi Group; (ii) Puyi Enterprises Management Consultant Co., Limited (“Puyi Enterprises”), a wholly owned subsidiary of Puyi HK.; (iii) Chengdu Yihuitong Information Technology Co., Ltd. (“Yihuitong”), a wholly owned subsidiary of Puyi Enterprises; (iv) Puyi Bohui, a company controlled by Puyi Enterprises through contractual agreements; (v) Fanlian Investment, a wholly owned subsidiary of Puyi Bohui; (vi) Guangdong Puyi Consulting Management Co., Ltd. (“Puyi Asset”), a wholly owned subsidiary of Puyi Bohui; (vii) Chongqing Fengyi Enterprises Management Consultant Co., Limited (“Fengyi”), a wholly owned subsidiary of Puyi Bohui; and (viii) Fanhua Puyi Fund Sales Co., Ltd. (“Fund Sales”), the operating entity of our wealth management business and a wholly-owned subsidiary of Puyi Bohui. Upon completion of the transaction, we have ceased the fund product distribution business and other wealth management or asset management business.

Acquisition of Carve Group

On August 27, 2025, we completed the acquisition of 100% of the equity interests in Carve and its wholly-owned subsidiaries Zhongshen and Glyken from its existing shareholders, Golden Brighter Limited (“GBL”), WJ Management Limited (“WJM”), and Union Chief Limited (“UCL”) (collectively, the “Sellers”). As consideration, we issued to the Sellers an aggregate of 195,894,609 Class A ordinary shares with a par value of US\$0.09 per share (the “Consideration Shares”), at an issue price of US\$1.50 per share. Upon completion of the transaction, the Sellers collectively hold 195,894,609 Class A ordinary shares of the Company, representing approximately 88.32% of the total issued share capital and approximately 22.22% of the total voting power. Among the Sellers, GBL and WJM each hold 93,049,939 shares, representing approximately 41.95% of the total issued share capital and approximately 10.55% of the total voting power, respectively. The Consideration Shares held by GBL and WJM are subject to a five-year lock-up period.

Carve indirectly holds 100% equity interests of Zhongshen, a premium wild ginseng resource holder, and Glyken, a pioneering bird’s nest biotech company specializing in enzymatic hydrolysis and peptide extraction. Following the acquisition, MAAS indirectly holds full ownership of Zhongshen and Glyken.

Acquisition of Real Prospect Limited

On October 28, 2025, we completed the acquisition of 100% of the equity interests in Real Prospect from its existing shareholders, from its existing shareholders, Ace Long Limited (“ALL”) and Arts Wing Limited (“AWL”) (collectively, the “Sellers”). As consideration, we issued to the Sellers an aggregate of 98,002,174 Class A ordinary shares with a par value of US\$0.09 per share (the “Consideration Shares”), at an issue price of US\$1.50 per share. The Sellers shall return certain numbers of Consideration Shares back to us if performance conditions have not been satisfied respectively by the end of each financial year through 2026 to 2028 and the Consideration Shares of AWL have a lock-up period of three years.

Real Prospect indirectly holds 100% equity interests of Qingdao Youdian New Energy Technology Co., Ltd., and 49% equity interest in Qingdao Huiju Laixi Intelligent Technology Co., Ltd. The Target Group Companies specialize in smart-technology solutions, including mobile EV-charging robots, modular residential energy-storage systems, and fully automated unmanned car-wash equipment. This acquisition supports the Company’s strategic expansion into new-energy technologies and intelligent services.

AIFU's Share Exchange Transaction with BGM

On November 27, 2024, CISG Holdings Ltd. ("CISG"), a wholly-owned subsidiary of AIFU, entered into a transaction agreement (the "Transaction Agreement") with BGM, pursuant to which, CISG agreed to transfer to BGM its beneficial interests in RONS Technologies, Xinbao Investment and Xinbao Investment's subsidiaries, including RONS Insurance Sales & Service Co., Ltd., and Shenzhen Baowang E-commerce Co., Ltd., in exchange for 69,995,661 Class A ordinary shares of BGM ("Consideration Shares") at a consideration of approximately US\$140,000,000. The transaction was completed on December 27, 2024. Pursuant to the Transaction Agreement, the Consideration Shares held by CISG is subject to a five-year lock-up period except (i) with the prior written consent of BGM; or (ii) transferring to a wholly-owned subsidiary (in which case such transferee shall be bound by the similar lock-up provisions). As a result of the transaction, AIFU ceased offering online insurance distribution services thereafter.

On March 12, 2025, with prior consent from BGM's board of directors, CISG entered into share transfer agreements with four investment firms (the "Purchasers") to transfer a total of 53,466,331 Class A ordinary shares of BGM to such Purchasers in exchange for an aggregate consideration of US\$106,932,662 (the "Share Transfer"). The Purchasers are bound by the similar five-year lock-up provisions. The transaction was completed on May 27, 2025. The consideration will be paid in two installments within two years from the Closing Date.

As of the date of this annual report, Maase and AIFU collectively owned 16,596,473 Class A ordinary shares of BGM, representing 8.3% of its outstanding ordinary shares and 0.8% of its voting power.

B. Business Overview

Founded in 2010 and formerly known as Puyi Inc. and Highest Performances Holdings Inc, we have evolved with a vision to become a leading provider of intelligent technology-driven family and enterprise services. Our mission is to enhance the quality of life for families worldwide by leveraging two primary driving forces: technological intelligence and capital investments. We are dedicated to investing in high-quality enterprises with global potential, focusing on areas such as artificial-intelligence services, advanced deep-tech solutions and science-backed health and wellness products .

As of June 30, 2025, we held controlling interests in two leading financial service providers in China: (i) AIFU Inc., a technology-driven independent financial service platform listed on the Nasdaq; and (ii) Fanhua Puyi Fund Distribution Co., Ltd., an independent wealth management service provider.

Our company has historically been recognized as a leading third-party wealth management services provider in China with a focus on the affluent and emerging middle class population. Our strategic acquisition of controlling interests in AIFU in December 2023 has positioned us to further broaden our service offerings and strengthen our market footprint. AIFU stands as a leading independent financial services provider in China, renowned for its robust technology capabilities and commitment to empowering insurance advisors. The acquisition of AIFU established insurance agency services as our core segment. Leveraging its technological capabilities and professional advisor network across the nation, AIFU offers a comprehensive range of life and non-life insurance products to customers.

We strategically acquired Carve Group in August 2025 establishing our new, growth-oriented segment focused on premium ingredients and biotechnology in the health and wellness industry and subsequently acquired Real Prospect in October 2025, further diversifying our portfolio by entering the smart-technology solutions space. These acquisitions align with our strategy to capitalize on emerging technological trends and integrate innovative solutions into our service offerings.

Concurrently, we have proactively exited non-core historical operations to sharpen our strategic focus and optimize resource allocation. Specifically, we disposed of our wealth management services segment in September 2025, and through AIFU, we divested the claims adjusting services segment in January 2025. In the future, we strive to become a leading provider of intelligent technology-driven family and enterprise services to support and meet the diverse, evolving needs of our clients throughout their full life cycle.

Our Services

We are a diversified holding company with three primary business segments: (1) insurance agency services: our core insurance agency business segment focuses on distribution of life insurance and non-life insurance products underwritten by a wide range of insurance companies. In addition, through cooperation with business partners, we provide clients with access to trust consulting and other ancillary financial services; (2) Health & wellness products: focused on premium ingredients and biotechnology, this segment was established through our strategic acquisition of Carve Group; (3) Smart-Technology Solutions. This segment, entered through the acquisition of Real Prospect, provides innovative, technology-driven solutions.

During the fiscal year ended June 30, 2025, our operations were primarily focused on financial asset allocation services to meet the investment and wealth inheritance objectives of our clients. We primarily provided insurance agency services, and wealth management services, and through cooperation with our business partners we also provide trust consulting services and ancillary services.

To sharpen our strategic focus, we subsequently divested non-core segments, including our wealth management services and, through AIFU, our claims adjusting services. This strategic repositioning, coupled with the acquisitions of Carve Group and Real Prospect, has transformed us into the diversified holding company we are today, positioned for growth in our three core areas.

Insurance Agency Services

Insurance agency business of AIFU is our largest business segment, accounting for 93.1% of our net revenues for the fiscal year ended June 30, 2025. Revenue from this segment is derived from two broad categories of insurance agency services: (i) life insurance business, and (ii) non-life insurance business, both primarily focused on meeting the insurance needs of individuals.

For life insurance and non-life insurance agency services offered to individual clients, our sales agents use the application or WeChat public account of “LA App” to process the transactions online. We receive commissions fees from insurance companies for the distribution of insurance products based on a certain percentage of the premiums paid by the individual policy holders. We also received volume-based performance bonus on a semi-annual or annual basis when we achieve the agreed target of aggregated sales volume of insurance policies facilitated by us.

Life Insurance Business

Revenues derived from our life insurance business accounted for 80.0% of the total net revenues for the fiscal year ended June 30, 2025. The life insurance products we distribute can be broadly classified into the categories set forth below. Due to constant product innovation by insurance companies, some of the insurance products we distribute combine features of one or more of the categories listed below:

- *Individual Whole Life Insurance.* The individual whole life insurance products we distribute provide insurance coverage for the insured person’s entire life in exchange for the periodic payment of fixed premiums over a pre-determined period, generally ranging from five to 20 years, or until the insured reaches a certain age. The face amount plus accumulated interest is paid upon the death of the insured.
- *Individual Health Insurance.* The individual health insurance products we distribute primarily consist of critical illness insurance products, which provide guaranteed benefits when the insured is diagnosed with specified serious illnesses, and medical insurance products, which provide conditional reimbursement for medical expenses during the coverage period. In return, the insured makes periodic payments of premiums over a pre-determined period.
- *Individual Annuity.* The individual annuity products we distribute generally provide annual benefit payments after the insured attains a certain age, or for a fixed time period, and provide a lump sum payment at the end of the coverage period. In addition, the beneficiary designated in the annuity contract will receive guaranteed benefits upon the death of the insured during the coverage period. In return, the purchaser of the annuity products makes periodic payments of premiums during a pre-determined accumulation period.

- *Individual Term Life Insurance.* The individual term life insurance products we distribute provide insurance coverage for the insured for a specified time period or until the attainment of a certain age, in return for the periodic payment of fixed premiums over a pre-determined period, generally ranging from five to 20 years. Term life insurance policies generally expire without value if the insured survives the coverage period.
- *Individual Endowment Life Insurance.* The individual endowment products we distribute generally provide insurance coverage for the insured for a specified time period and maturity benefits if the insured reaches a specified age. The individual endowment products we distribute also provide to a beneficiary designated by the insured guaranteed benefits upon the death of the insured within the coverage period. In return, the insured makes periodic payments of premiums over a pre-determined period, generally ranging from five to 25 years.
- *Participating Insurance.* The participating insurance products we distribute not only provide insurance coverage but also pay dividends generated from the profits of the insurance company providing the policy. The dividends are typically paid on an annual basis over the life of the policy. In return, the insured makes periodic payments of premiums over a pre-determined period, generally ranging from five to 25 years.

Non-Life Insurance Business

Revenues for our non-life insurance business accounted for 13.1% of the total net revenues for the fiscal year ended June 30, 2025, representing primarily commissions and fees derived from the distribution of internet-based insurance products we distributed through Baowang (www.baoxian.com) and services fees derived from our brokerage services. In December 2024, Baowang was spun-off to BGM as part of the share exchange transaction with BGM.

Our main non-life insurance product in terms of net revenues contribution for the fiscal year ended June 30, 2025 is individual accident insurance and indemnity medical insurance. We also offer lifestyle insurance such as travel insurance and homeowner insurance. The major insurance products we facilitate to individual customers can be further classified into the following categories:

- *Individual Accident Insurance.* The individual accident insurance products we distribute generally provide a guaranteed benefit during the coverage period, which is usually one year or a shorter period, in the event of death or disability of the insured as a result of an accident, or a reimbursement of medical expenses to the insured in connection with an accident. These products typically require only a single premium payment for each coverage period. Because most of the individual accident insurance products we distribute are underwritten by property and casualty insurance companies, we classify individual accident insurance products as property and casualty insurance products which are included in the category of non-life insurance products.
- *Travel Insurance.* The travel insurance products we distribute are short-term insurance providing guaranteed benefit in the event of death or disability and covering travel-related emergencies and losses, either within one's own country, or internationally. These products typically require only a single premium payment for each coverage period.
- *Homeowner Insurance.* The homeowner insurance products we distribute primarily cover damages to the insured house, along with furniture and household electrical appliance in the house caused by a number of incidents such as fire, flood and explosion.
- *Indemnity medical insurance.* The indemnity medical insurance products we facilitate typically have a one-year term and provide conditional reimbursement for medical and surgical expenses during the coverage period. These products typically require only a single premium payment for each coverage period. Because most of these medical insurance products we distribute are underwritten by property and casualty insurance companies, we classify indemnity medical products as we classify individual accident insurance products as property and casualty insurance products which are included in the category of non-life insurance products.

We also market and sell commercial lines of property insurance products, group life insurance products, and liability insurance products to corporate clients, through one of AIFU's brokerage firms. It also offers risk management services to enterprises in various industries and reinsurance brokerage services to insurance companies. The insurance products that our insurance brokerage firm provides can be broadly classified into the categories set forth below.

- *Commercial Property Insurance.* The commercial property insurance products we distribute include basic, comprehensive and all risk policies. Basic commercial property insurance policies generally cover damage to the insured property caused by fire, explosion and thunder and lightning. Comprehensive commercial property insurance policies generally cover damage to the insured property caused by fire, explosion and certain natural disasters. All risk commercial property insurance policies cover all causes of damage to the insured property not specifically excluded from the policies.
- *Cargo Insurance.* The cargo insurance products we distribute cover damage to or loss of goods in transit by sea, land or air.
- *Hull Insurance.* The hull insurance products we distribute cover vessels against losses, liabilities and expenses caused by natural calamities, negligence of crew members and marine accidents, as well as collision liability.
- *Liability Insurance.* The liability insurance products we distribute are primarily product liability, employer's liability, public liability and professional liability insurance products. These products generally cover losses to third parties due to the misconduct or negligence of the insured party, but exclude losses due to fraud or the willful misconduct of the insured party.
- *Construction and Erection Insurance.* The construction and erection insurance products we distribute cover property damages and personal injury losses caused by natural disasters and accidents in connection with construction and erection projects in China and abroad.
- *Extended Warranty Insurance.* The extended warranty insurance products we distribute provide coverage for expenses associated with any repair or replacement of the sold items, such as an electrical appliance or auto vehicle, after the manufacturer's warranty has expired.

Claims Adjusting Services (Discontinued since January 2025)

Prior to January 2025, we offered the following insurance claims adjusting services through AIFU:

- *Pre-underwriting Survey.* Before an insurance policy is sold, we conduct a survey of the item to be insured to assess its current value and help our clients determine the insurable value and the amount to be insured. We also help our clients assess the underwriting risk with respect to the item to be insured through surveys, appraisals and analysis.
- *Claims Adjusting.* When an accident involving the insured subject matter has occurred, we conduct an onsite survey to determine the cause of the accident and assess damage. We then determine the extent of the loss to the insured subject matter and prepare and submit a report to the insurance company summarizing our preliminary findings. Upon conclusion of the case, we prepare and submit a detailed report to the insurance company setting forth details of the accident, cause of the loss, details of the loss, adjustment and determination of loss, an indemnity proposal and, where appropriate, a request for payment.

- *Disposal of Residual Value.* In the course of providing claims adjusting services, we also can appraise the residual value of the insured property and offer suggestions on the disposal of such property. Upon appointment by the insurance company, we handle the actual disposal of the insured property through auction, discounted sale, lease or other means.
- *Loading and Unloading Supervision.* Upon appointment by ship owners, shippers, consignees or insurance companies, we can monitor and record the loading and unloading processes of specific cargos.
- *Consulting Services.* We provide consulting services to both the insured and the insurance companies on risk assessment and management, disaster and damage prevention, investigation, and loss assessment.

Wealth Management Services (Discontinued since September 2025)

Prior to September 2025, we provided our clients with a wide range of product offerings including publicly raised fund products and privately raised securities investment fund products. Our wealth management service business accounted for 6.9% of our net revenues for the fiscal year ended June 30, 2025. Generally, for publicly raised fund products offered to the public (either unspecified investors or unlimited number of specified investors with minimum investment requirement), we processed the relevant transactions online through the app “Puyi Fund” (普益基金). In comparison, our privately raised fund products, which were offered to a limited number of qualified investors, were distributed both online and offline. Since December 2020, we have provided online services for our privately raised fund products through the app “Puyi Fund” in the same manner as for publicly raised fund products. The app “Puyi Fund” provides up-to-date product-related information online through which clients can execute transactions and monitor their investments portfolio. We received distribution commissions for almost all of wealth management products distributed by us. In addition, we received performance-based fee income for certain privately raised funds we distributed.

Our publicly raised fund products had accounted for the largest proportion of our aggregated transaction value and revenue of our wealth management business. Although most of the products we recommended to our clients were sourced from third-party product providers, we also distributed privately raised securities investment fund products under our management. For accounting purposes, third-party product providers were deemed as our customers under wealth management services. The following table sets forth transaction value and revenue contribution of the different product categories under our wealth management services for the periods indicated.

	For the fiscal year ended June 30, 2025			
	Transaction value		Revenue	
	RMB	\$	RMB	\$
	(in thousands)			
Publicly raised fund products	232,901,905	3,523,892	49,844	6,958
Privately raised fund products ⁽¹⁾	32,511,852	2,208	3,834	543
Total	232,917,725	32,514,060	53,678	7,492

(1) We ceased to distribute private equity investment fund products since July 1, 2020, while we continued receiving fees from the existing private equity investment fund products.

Publicly Raised Fund Products

Publicly raised funds refer to any fund that is offered to unspecified investors or more than 200 specified investors. We had distributed publicly raised fund products since our inception. For the fiscal year ended June 30, 2025, we distributed approximately 12,009 publicly raised fund products, with an aggregate transaction value of RMB232.9 billion (US\$3.5 billion), among which transaction value contributed by institutional clients was RMB 229.0 billion (US\$32.0 billion). The outstanding ending balance of publicly raised fund products distributed by us was RMB14.5 billion (US\$2.0 billion) as of June 30, 2025. Since 2019, we had strategically devoted more resources to publicly raised fund products including developing and distributing portfolios of publicly raised fund products on a dollar-cost averaging basis. We had strategically focused on attracting individual clients first to accumulate a large trading balance, which in turn can help attract institutional clients and increase our bargain power with the publicly raised funds management service providers.

Along with the development of the wealth management industry, more institutional investors began to invest in publicly raised funds. Institutional investors have more extensive evaluation dimensions for fund companies and fund products, and demand for higher transaction efficiency as compared to individual investors. To satisfy and attract the institutional investors, we developed an in-house “Institution Master” system, an investment platform designed for institutional investors, which provided institutional investors with customized trading functions, extensive product portfolios and systematic investment and research system to provide more professional, efficient and intelligent trading experience. The investment platform has attracted a number of institutional investors, most of which were small and medium-sized urban and rural commercial banks.

We marketed and distributed the following types of products from our third-party product providers, based on the underlying assets class:

- *Money market fund products.* These products are mutual fund products that generally invest in low risk, highly liquid and short-term financial instruments, including government bonds, central bank bills, term deposits, certificates of deposits and corporate commercial papers.
- *Debt or equity securities or hybrid fund products.* These fund products primarily invest in publicly traded securities, such as stocks, bonds, options or a mix of the foregoing. The risk level of these products is generally moderate to aggressive.
- *Portfolios of publicly raised fund products.* These products are combinations of a series of funds. We manage the investment of different funds according to the customer’s risk appetite and our judgment of the market.

Privately Raised Fund Products

We had offered privately raised funds since 2016 and begun to offer privately-raised securities investment funds starting from July 1, 2020. For the fiscal year ended June 30, 2025, we distributed 4 privately raised securities investment funds with an aggregate transaction value of RMB15.8 million (US\$2.1 million). The outstanding ending balance of privately raised fund products distributed by us was RMB323.0 million (US\$45.1 million) as of June 30, 2025. For certain funds, we were generally entitled to approximately 25% of performance-based fees realized by the fund managers after redemption of funds. For the fiscal year ended June 30, 2025, all of the privately raised fund products we distributed were privately raised securities investment funds, including investments through QDII funds. We also distributed FoFs of privately raised securities investment funds.

As privately raised funds typically required higher net worth and/or investment sophistication and were offered to a limit number of qualified investors, such funds charged higher fee rates and managers of such funds sometimes allow fund distributors to earn a portion of the performance-based fees. Except for 3 FoFs under our management as of June 30, 2025, all other privately raised fund products that we distributed were sourced from third-parties.

Agreements with Product Providers

Our distribution was typically governed by agreements entered with product providers, primarily comprising fund managers and securities firms on a product-by-product basis. The material terms of our agreements with our product providers are summarized as below:

- *Service scope.* We typically undertake to provide the product providers with services relating to our clients’ purchase of the relevant products. Such services typically include providing our clients with information on the relevant products, educating clients on the documentation involved in the purchase as well as providing them access to their transactions with the product providers through our app or branch network. For privately raised fund products, we also assess clients’ qualification for the purchase as may be required by the laws and regulations, and the relevant product providers.

- *Commissions and fees.* For almost all of our wealth management products, we are entitled to receive distribution commissions calculated as a fixed percentage of the amount purchased by our clients. For certain privately raised fund products, we are also entitled to performance-based fees subject to hurdle rates.
- *Confidentiality.* We and the product providers are prohibited from making any unauthorized disclosure of our clients' information. In addition, privately raised fund managers are not permitted to use such information in a manner that might be detrimental to our interest.
- *Exclusivity.* For distribution agreements with certain product providers, we have been granted exclusive rights to distribute specific products.
- *Terms.* The distribution agreements typically expire upon the expiration of the relevant wealth management product. For any new financial products, new agreements are negotiated and entered into.

Other Services

To diversify our services and satisfy our clients' different needs for wealth management, we offer a suite of products or services to meet the investment and wealth inheritance objectives of our clients.

Except the aforementioned services, we began our asset management services in April 2018 allowing us to select and form FoFs for our clients, which were also terminated upon the disposal of the wealth management segment.

Since July 2021, we have been providing trust consulting service to tap into the significant business potential stemming from the growing demand for comprehensive wealth management services among affluent and high net worth families. The operating entity of our trust consulting services business was transferred to AIFU in December 2023. Through AIFU, we remained dedicated to fostering the long-term growth of client family assets and ensuring the intergenerational transfer of wealth, by bringing together a team of specialists across finance, trusts, law, and taxation to offer tailored advice and comprehensive services to affluent and high net worth families. Our offerings encompass a wide array of services including trust consulting services, elite education opportunities, overseas asset allocation service.

Cash Flows among Us, Our Subsidiaries and the Consolidated VIEs

As of June 30, 2025, our subsidiaries and the consolidated VIEs conducted business transactions that primarily included insurance agency services, wealth management services and claims adjusting services. The cash flows that have occurred between our subsidiaries and the consolidated VIEs are summarized as the following:

	For the fiscal year ended			
	June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	\$
	(in thousands)			
Cash paid by the consolidated VIEs to our subsidiaries for consulting services	10,478	17,299	6,720	938
Cash paid by the consolidated VIEs to our subsidiaries for technical services	5,300	6,900	380	53
Cash paid by the consolidated VIEs to our subsidiaries for office rental and other services	1,064	771	-	-
Cash paid by our subsidiaries to the consolidated VIEs for digital marketing and IT related services	-	24,659	25,194	3,517
Cash paid by the consolidated VIEs to our subsidiary for agency services	-	44,622	41,051	5,730
Cash paid by our subsidiaries to the consolidated VIEs for agency services	-	1,732	520	73
Intercompany advances from our subsidiaries to the consolidated VIEs	19,927	58,090	162,955	22,748
Repayment of intercompany advances by the consolidated VIEs	16,755	78,227	130,580	18,228
Intercompany advances from the consolidated VIEs to our subsidiaries	99,386	99,980	36,931	5,155
Repayment of intercompany advances by our subsidiaries	67,346	95,150	54,952	7,671

There are limitations on our ability to transfer cash between us, our subsidiaries and the consolidated VIEs. Our WFOEs can distribute dividends only out of its distributable earnings. Current PRC regulations permit our indirect PRC subsidiaries to pay dividends to our Former WFOE and further from our Former WFOE to us, out of their accumulated profits only, if any, in accordance with PRC rules and regulations. Similarly, the indirect PRC subsidiaries of AIFU can pay dividends to its WFOEs and further from its Former WFOE to AIFU, out of their accumulated profits only. Moreover, each of our subsidiaries and AIFU's subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund the statutory reserve, which is undistributable unless in the process of liquidation, until such reserve reaches 50% of its registered capital.

The PRC government also controls the conversion of Renminbi into foreign currencies and the remittance of currencies out of the PRC. We may not be able to complete the administrative procedures required to register the remittance of the payment of our dividends, if any.

Any transfer of funds by Maase to our PRC subsidiaries, either as a shareholder loan or as an increase in the registered capital, is subject to a series of procedural requirements with SAFE or its local counterparts.

There is no assurance that China’s government will not intervene or impose restrictions on the ability of us, our subsidiaries and the consolidated VIEs to transfer cash. Most of our cash is in Renminbi, and the PRC government could prevent the cash maintained from leaving the PRC, could restrict deployment of the cash into our, our subsidiaries’ and the consolidated VIEs’ business and restrict the ability to pay dividends. For details regarding the restrictions on our ability to transfer cash between us, our subsidiaries and the consolidated VIEs, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Governmental control of conversion of Renminbi into foreign currencies may limit our ability to utilize our revenues effectively and affect our operations and the value of your investment, and—We may rely principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business, and—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of conversion of foreign currencies into Renminbi may delay or prevent us from using any offshore cash we may have to make loans to our PRC subsidiaries and the VIEs or to make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business”.

Our Client Services

For our insurance agency services, we engaged with our customers through both our extensive network of sales agents offline and through digital tools designed to empower our agents in customer engagement online, including RONS Assistant Digital Operating Platform, or RONS DOP, a digital marketing system and RONS Guanjia, a customer service platform. See “Item 4. Information on our group — Business Overview — Information Technology.”.

For our wealth management services business which was discontinued in September 2025, we classified our target wealth management clients into different categories in terms of risk appetite. Through frequent and in-depth client communications, we analyzed and assessed financial conditions, past investment experiences, risk profiles and investment goals of potentials clients and provided them with suitable products. We also provided clients with consultations on products and on-going assets allocation planning and recommendations on adjusting their assets allocation plans in response to economic and market conditions.

In addition, we provided clients who have purchased our wealth management products through us with timely updates on the product performance primarily including net assets value reports and other performance statistics through apps, live investment performance symposiums, as well as regular communications via seed clients and financial advisors. Moreover, we have established official public accounts on WeChat to provide industry news, product updates and investor education, which allowed us to continually provide updates on the products and services offered by us to the online community of clients. We also provided general investor education by publishing online quiz activities, organizing online courses, seminars and salons and holding online live and recorded streaming courses that provided guidance in response to any changes in market conditions. For clients with special needs such as overseas study, tax consultation, legal consultation or medical care services, we collaborated with third-party agencies to provide one-stop services. We promoted the implementation of our investment and education strategy, focusing significant efforts to build a financial and business education service system, and provided investors with free investor education. Our investor education service platform “Puyi Business School” was upgraded to be a mobile app and continued to popularize investment knowledge for new investors and provided advanced investment education and support for our financial advisor team and investors with certain experience.

Sales and Marketing

For our insurance intermediary services business which we operate through AIFU, as of June 30, 2025, we have an offline distribution and service network that consisted of one insurance sales and service group, one national operating insurance agency, four regional agencies and two insurance brokerage firms in mainland China, with 48,794 registered independent sales agents. Our distribution and service network in mainland China consisted of 360 sales outlets in 24 provinces. The following table sets forth additional information concerning AIFU's distribution and service network as of June 30, 2025, broken down by provinces:

Province	Number of Sales and Service Outlets	Number of Sales Agents
Shandong	48	8,656
Hebei	64	6,598
Guangdong	24	4,876
Guangxi	11	3,803
Anhui	27	3,347
Sichuan	42	2,649
Henan	17	2,604
Jiangsu	24	2,571
Liaoning	11	2,087
Fujian	22	1,827
Zhejiang	9	1,679
Hunan	12	1,530
Inner Mongolia	1	1,367
Beijing	4	952
Chongqing	5	737
Shaanxi	2	725
Hubei	5	639
Tianjin	4	636
Shanxi	1	422
Heilongjiang	1	349
Yunnan	2	318
Jilin	20	226
Jiangxi	3	141
Shanghai	1	55
Total	360	48,794

We market and sell long-term personal lines of life insurance products and non-life insurance products to customers mainly through our affiliated sales agents, most of whom are not our employees, and through third party channels who use our digital platform. We provide insurance brokerage services to corporate customers through both our in-house brokers and non-affiliated independent brokers.

A majority of our sales agents are independent sales agents who are not our employees and are only compensated by commissions. We have contractual relationships with these sales agents. We primarily distribute life insurance policies with a periodic premium payment schedule. For the sale of each of such life insurance policy, we pay the sales agent who has generated the sale periodic commissions based on a percentage of the commissions and fees we receive from the insurance companies for the sale and renewal of that policy, generally up to the first five years of the premium payment period, and retain all commissions and fees we continue to receive from insurance companies for the rest of the premium payment period. For the sale of each life insurance policy with a single premium payment schedule or non-life policy, we pay the sales agent who has generated the sale a single commission based on a percentage of the commission and fee we receive from insurance companies for the sale of that policy.

Our life insurance sales agents are typically organized into sales teams with a multilevel hierarchy, typically with five layers and to a lesser degree with two layers. A life insurance sales agent not only receives a commission for the insurance policies that he or she sells, but also a commission for insurance policies sold by agents under his or her management.

Our sales agents and in-house sales representatives are valuable to us and are instrumental in helping us build and maintain long-term relationships with our customers. Therefore, we place a strong emphasis on training our sales force. We provide training to both new sales agents and existing sales agents, on a monthly or quarterly basis, both offline and online. For new sales agents, we offer orientation courses that are designed to familiarize them with corporate culture, insurance products, and sales skills. For the existing sales agents, we offer on-the-job training courses that aim to enhance their sales skills and knowledge of various insurance products and develop skills to build and manage their own sales teams. Online training courses are also available on FA App and RONS Livestreaming Platform, which enable sales agents to attend the courses anytime anywhere. We have also established an open-source lecturer platform which allows insurance veterans to upload self-developed courses and viewable on fee basis. As part of our efforts to professionalize our sales force, we will allocate more resources to enhance training. With the data insight gained through digital technologies, agents will be categorized into different levels based on various criteria including their qualification, capabilities and productivity and targeted training courses will be provided to help improve their professional skills and productivity.

We need employees well-equipped with professional knowledge to support our frontline sales agents and provide our clients with best quality of services. To maximize their performance and professional growth, we provide ample training opportunities through our well-established training platform e-learning system and “AIFU Academy” available through FA App. Various courses were delivered by a large team of internal lecturers which include the Group’s senior management, department heads and senior employees with deep experience in various areas of our operations and external courses to acquaint them with our business and unleash their potential. To maintain training standards, we evaluate our lecturers and present awards for outstanding performance on an annual basis.

For our wealth management business, in the fiscal year ended June 30, 2025, we concentrated on providing wealth management services for the financial assets of middle-class and affluent families, and continued to improve our financial advisors program to better serve our clients more knowledgeably and professionally. To further tap into the vast market of affluent and emerging middle class population, we implemented a strategy of “elite entrepreneurship plus professional platform” to achieve a win-win-win situation for financial advisors, clients and our company. We had also proposed the strategy of “strong empowerment” on our platform focusing on “elites,” which are professional financial advisors. Our team of professional financial advisors were able to expand their personal service capability effectively with the support of our “professional platform,” consisting of our unique financial asset allocation platform system, core trading system, client management system, investor education system and strong middle and back-office operation capability. Elite financial advisors team mainly included top seed clients which consisted of independent financial advisors. Top seed clients were the top 18.8% seed clients who contributed approximately 80% of our sales generated through seed clients. Dozens of these top seed clients had already transformed to become professional financial advisors.

Seed clients channel was an innovative social e-commerce-based approach pursuant to which we identified, fostered and collaborated with seed clients — existing clients who believed in our service capabilities — to actively market our products or services on social media platforms to their families, friends and acquaintances in return for a commission. In 2019, we started to initiate seed client classification to offer premium trainings to those seed clients who had greater marketing potential. We also began to classify our seed clients into ordinary seed clients, elite seed clients and financial advisors. Elite seed clients were those that intend to further enhance professional investment knowledge and greater market potential compared with ordinary seed clients. We had set up a series of standardized professional training programs to enhance the expertise and financial advisory capabilities of elite seed clients. Elite seed clients that passed a series of assessment would qualify as financial advisors. For the fiscal year ended June 30, 2025, we continued to cease cooperation with under-performed seed clients, with the number of our seed clients decreased to approximately 19,000 as of June 30, 2025 from 22,000 as of June 30, 2024. At the same time, we provided more resources and assistance to existing seed clients, especially those top performers, in developing more active clients. Attributable to the vast seed client base, we did not have particular reliance on any seed client or limited number of seed clients. For the fiscal year ended June 30, 2025, the single largest seed client contributed only 0.5% of our total sales through 30 clients, and the top five largest seed clients contributed only 2.0% of our total sales through a total of 2,448 clients. Our extensive coverage network of branch offices and seed clients enabled us to gain direct access to target clients and wealth management services market.

We also provided trainings through both our online platforms and offline in-person sessions to solidify and update professional knowledge of our financial advisor team. These courses covered various aspects including introduction of our group and our products, skill development, practice examination and latest market situation. We also invited wealth and asset management experts with abundant industry experiences and insights to conduct online and offline training seminars for our financial advisor team.

We entered into introduction agreements with our seed clients, under which they were entitled to commission if they brought in a new client and/or new investment from the existing clients. The amount of the commission depended on the amount of products the client purchases. To incentivize our seed clients to be more proactive in selling our publicly raised fund products, we provided competitive commission of approximately 0.2% per annum, subject to our management’s adjustment. To incentivize the sales of privately raised fund products, we had evaluated the scale, profitability and performance of each fund, and provided commission rates varying from 0.1% to 1.3% accordingly. There was no fixed term of the seed client/financial advisor engagement under the introduction agreement unless such agreement was terminated after negotiation or due to a material breach by either party.

The map below shows our coverage network by number of seed clients as of June 30, 2025:



Wealth Management Product Selection, Development and Risk Management

We selected and developed our wealth management product portfolio for our target affluent and emerging middle class population in accordance with our wealth management philosophy that product profiles should be simple and differentiated, prudently selected with balanced allocation and high quality, and keeping in line with the latest market trend. We strove to provide our clients products with attractive returns and controllable risks.

We enriched our product offerings to keep up with clients' evolving needs. In the fiscal year ended June 30, 2025, we continued to adhere to our strategy of standardized product transformation. For publicly raised funds, we continued to focus on the existing publicly raised product portfolio strategy supplemented by the sale of high-quality single close-end public funds. We aimed to cultivate clients' habit of maintaining products for a longer period of time to avoid short-term drastic market fluctuations and enhance clients' investment experience. As for privately raised funds, we offered self-managed and external FoFs and external single-strategy privately raised funds to ensure that we had two or more strategies of each type available. We had also been striving to design, develop and provide more products to our clients, in particular by providing more customized products and/or services to high-net-worth clients.

Although we were not directly liable to our clients in relation to the performance or default of the third-party products distributed through us as our clients typically enter into contracts directly with the third-party product providers in connection with such products, any default or negative performance of these products would have nevertheless adversely affected our reputation. Accordingly, we had developed a product selection procedure to carefully screen each product that we distributed as part of our risk management process.

We had established a two-prong evaluation system that assessed both the product providers and products for distribution based on the following: (i) investment experience and capabilities; (ii) integrity and credibility; and (iii) internal control. We assessed third-party fund products based on the following criteria:

- *Investment targets.* We preferred products that target standardized fund products such as investments in public securities. As such, we distributed debt or equity securities or mixed fund products which were suitable for conservative to aggressive risk investors open to more sophisticated products with controllable risks.
- *Product category.* We preferred products with transparent reference prices in the market.
- *Historical performance.* We sought products with a proven track record of strong historical performance.
- *Side-by-side investment made by relevant product providers.* We preferred fund products where fund managers make side by side investment.

In order to conduct the above assessments, we had established rigorous internal procedures. Product managers in our asset management department selected product candidates at the initial stage through comprehensive due diligence work, including but not limited to, on-site visits, interviews with relevant product providers, and internet searches on background information, and drafted due diligence reports on both the product providers and products. Upon receiving the preliminary-approval by the director of asset management department, relevant due diligence reports were submitted to the compliance and risk control department and the product selection group which consisted of members from management for further review and final approval. Our compliance and risk control department also regularly followed up on the financial condition and results of operations of our selected product providers and the overall risk exposure of products we distributed for them in terms of composition of underlying asset classes, collateralization level and other key metrics. These reviews enabled us to constantly provide high-quality and controllable products, provided guidance for subsequent product sourcing and selection, and to align our product portfolio with the prevailing market condition in a timely fashion.

Information Technology

Our business is supported by a sophisticated digital ecosystem that provides technology support to all aspects of its operations. This ecosystem is designed to enhance transaction efficiency, improve client service, and empower our sales force through data collection and analysis.

Our key digital applications include:

Insurance Agency Services

- *Core App for insurance distribution.* Our insurance agents primarily use “FA App”, an all-in-one insurance sales and service platform, to manage their book of insurance business on their fingertips, covering all aspects of the business process from insurance product purchase, team management, agent recruitment, customer engagement, customer service to e-learning. The platform offers substantially all of our insurance products including long-term life insurance, accident insurance, travel insurance, and standard medical insurance products. It is available in mobile application and WeChat official account versions and accessible through AIFU WeCom.
- *Insurance Digital Operating Platform.* We provide “RONS Assistant Digital Operating Platform”, or “RONS DOP”, a digital marketing platform, to our insurance agents, aiming at empowering our insurance agents in customer acquisition and relationship maintenance. Key features include artificial intelligence (“AI”) Chatbot, Digital Avatar Creator, Intelligent Recommendation System, powered by Large Language Model, AI-generated Content Algorithm and Intelligent Algorithm, which enable customer engagement in a highly efficient manner. It also provides our sales professionals with various educational content in the form of daily news, articles, posters, videos which can be circulated to potential customers through social media, aiming at enhancing customers’ insurance awareness and deepening their understanding of insurance products, and potentially facilitating insurance purchases. It also enables agents to gain better insights into customer needs through behavior tracking and automated tagging. In addition, it provides convenient access to RONS livestreaming platform for resourceful online training courses. The platform is accessible through WeChat public account and AIFU’s FA App and WeCom.

- *Customer service:* We launched “RONS Guanjia” a customer service platform to directly connect with our customers, through which they can access various insurance services including policy inquiry, policy custody, asset custody, risk assessment, and claims settlement assistance. Service representatives will also be available to customers for exclusive services on a one-on-one basis. The platform is accessible primarily through its WeChat official account and FA App.
- *Insurance Policy Escrow:* Our Policy Escrow system offers comprehensive policy management services, including meticulous risk analysis and personalized planning. Our clients and their family members can benefit from electronic storage, online easy access and various self-service features for easy policy management including coverage review, payment schedules, and renewal reminders. Integrated AI analysis generates concise reports on insurance coverage, while our certified policy consultants provide personalized, one-on-one assistance, guiding clients through policy organization, risk analysis and optimization strategies.
- *WeCom.* Other than various office supporting solutions, AIFU WeCom enables our agents to directly interact with their existing and potential customers in highly efficient manner, with easy access to various supportive tools including knowledge bank, FAQ scripts, and a wide variety of marketing materials.

Wealth Management Services (Discontinued since September 2025)

- *Core app for wealth management business.* We launched our core app, Puyi Fund, which provided target clients product information and a full-scope of online transaction processing services for fund products including subscription, redemption, clearance and settlement, and allowed clients to monitor their investment portfolio in a more convenient manner.
- *Web-based Institution Master system.* To better implement our strategy, we developed an in-house web-based institutional investment platform based on our core system, aiming to provide professional and convenient investment services to institutional clients. Institution Master is a one-stop service solution for institutional investors to manage their OTC fund investments. It provided more professional, efficient and intelligent trading experience through our leading intelligent trading system, extensive product portfolios and comprehensive investment research system. With this system, we provided institutional investors with customized fund trading solutions to better meet their needs.
- *Client service.* We set up an online client service system equipped with intelligent interactive tools to further enhance the quality and efficiency of our client services.
- *Investment advisor platform.* We have developed the “i Financial Planner”, an intelligent business app that provided financial advisors a one-stop management tool. We added the TAMP (turn-key asset management platform) asset allocation system to the “i Financial Planner,” taking into consideration of the offline service scenario of financial advisors and the diversified needs for financial asset allocation. This innovative system equipped with leading technology was designed to help financial advisors pinpoint clients’ needs and effectively track and manage clients’ portfolios through the one-stop comprehensive operation and communication platform. The system integrated three core functions: one-stop business development platform, asset allocation intelligent investment advising function and client SCRMM system, which provided financial advisors with four empowering services: training and growth, client maintenance, team management and operation support. We made full use of our accumulated big data together with artificial intelligence technology to launch professional, tailor-made and comprehensive financial asset management services, which enabled us to assist financial advisors in meeting wealth management needs at different levels. We have entered into cooperation with various famous domestic service providers to integrate their core services into this TAMP system combined with our big data analysis and mining capabilities to provide online digital services for financial advisors’ daily business development and client maintenance.

- *Database.* We operated an internal data management system, covering data collection, storage and analysis. We collected our clients' behavior and preference data from multi-platforms, and analyzed these data together with our clients' transaction data to depict an accurate profile of our clients. We have implemented policies and procedures in an effort to ensure compliance with China's data protection and cybersecurity laws and regulations. With the authorization of our clients, we applied different tags to different clients according to their online behaviors, browsing preference and past transactions with us, in order to recommend suitable products that most satisfy our clients' wealth management needs in a timely manner. Through profiling analysis of our clients, we were able to achieve targeted marketing and increase marketing efficiency, which in turn guided our products recommendation strategy to realize better return on investment.
- *Office automation ("OA").* We combined the above custom-developed or commercially available business systems with our OA system, finance system and other internal back-end functions, to help us operate more efficiently.

Customers

Through AIFU's sales and service network, we primarily sell life insurance products including critical illness, annuity insurance, whole life insurance and term life insurance and endowment insurance as well as non-life insurance products including individual accident insurance, homeowner insurance products, liability insurance and travel insurance primarily to individual customers. To lesser extend, we also sell certain commercial property insurance, cargo insurance, hull insurance, liability insurance and construction and erection insurance products to institutional customers. Customers for the life insurance products we distribute are primarily individuals under 50 years of age. Under our wealth management services, we provide a wide range of product offerings including publicly raised fund products and privately raised securities investment fund products to both individual and institutional clients. For the year ended June 30, 2025, no single individual customer who has purchased insurance products or wealth management products through us accounted for more than 1% of our net revenues.

Since our inception, we have served approximately 20.3 million individual customers who have purchased insurance or wealth management products through us. This number includes about 3.4 million customers who have acquired at least one regular long-term life insurance policy, over 16.9 million who have purchased at least one property and casualty insurance policy, and approximately 0.7 million who have purchased at least one wealth management product through us.

These customers, including those from discontinued business lines, remain in our database. This presents ongoing opportunities for us to reconnect with them as their needs evolve over time. We believe that as customers progress through different life stages, their demand for insurance protection and wealth management may change, creating potential for upselling and cross-selling higher-value products, such as life insurance and wealth management products. By offering value-added services at no additional charge, we aim to cultivate these relationships and enhance customer loyalty, ultimately driving repeated purchases and referrals.

Product Supplier Partners

As of June 30, 2025, we had established business relationships with 67 insurance companies in the PRC. In the Chinese insurance market, local branches of insurance companies generally have the authority to enter into contracts in their own names with insurance intermediaries. Since 2007, we have sought to establish business relationships with insurance companies at the corporate headquarters level in order to leverage the combined sales volumes of all our subsidiaries located in different parts of China. For the distribution of insurance products, we had outstanding contracts with 54 life insurance companies, 7 health and pension insurance companies and 6 property and casualty insurance companies, most of which were signed at the corporate headquarter level as of June 30, 2025.

As of June 30, 2025, we sourced our wealth management products from high quality third-party global product providers in China, including 124 public fund companies, which have contributed to a majority of our fund products, including approximately 12,009 publicly raised fund products.

Competition

A number of industry players are involved in the distribution of insurance products in the PRC. We compete for customers on the basis of product offerings, customer services and reputation. Because we primarily distribute individual insurance products, our principal competitors include:

- *Professional insurance intermediaries.* The professional insurance intermediary sector in China is highly fragmented. Several insurance intermediary companies have received private equity or venture capital funding in recent years and are actively pursuing expansion. We believe that we can compete effectively with these insurance intermediary companies with our long operating history, strong brand recognition, a strong and stable team of managers, nationwide network of sales professionals enabled by digital tools, leading online platforms and diversified product offerings. With increasing consolidation expected in the insurance intermediary sector in the coming years, we expect competition within this sector to intensify.
- *Insurance companies.* The distribution of individual life insurance products in China historically has been dominated by insurance companies, which usually use both in-house sales forces and exclusive sales agents to distribute their own products. In addition, in recent years several major insurance companies have increasingly used telemarketing and the Internet to distribute insurance. We believe that we can compete effectively with insurance companies because we focus only on distribution and offer our customers a broad range of choices of insurance products underwritten by multiple insurance companies.
- *Entities that offer insurance products online.* In recent years, domestic insurance companies, Internet companies and professional insurance intermediaries have begun to engage in the Internet insurance business. However, each of their insurance e-commerce operations has its own limitations. The insurance products offered on an insurance company's website are usually confined to those under its own brand. Most Internet companies have limited experience in insurance operation with limited or no offline sales and service support. Our better brand recognition, extensive offline sales and service network which enables us to offer online and offline integrated services to customers also differentiate us from internet-based professional insurance intermediaries. We believe that we can compete effectively with these business entities because we offer customers access to a broad range of insurance products underwritten by multiple insurance companies and good after-sale services that are backed by our nation-wide service network and better user experience.
- *Other business entities.* In recent years, business entities that distribute insurance products as an ancillary business, primarily commercial banks and postal offices, have been playing an increasingly important role in the distribution of insurance products, especially life insurance products. However, the insurance products distributed by these entities are mostly confined to those related to their main lines of business, such as investment-related life insurance products. We believe that we can compete effectively with these business entities because we offer our customers a broader variety of products.

For our discontinued claims adjusting business, we competed primarily with the other major claims adjusting firms in China by offering our customers a diversified range of claims adjusting services covering medical insurance, property insurance, auto insurance, marine and cargo insurance, and personal injury and accident insurance and leveraged the business relationships we have developed with insurance companies through the distribution of property and casualty insurance products. We exited claims adjusting business in January 2025.

The wealth management market in China is at an early stage of development and is currently highly fragmented and competitive, and we expect competition to persist and intensify. In distributing wealth management products, we faced direct competition primarily from (i) commercial banks and their wealth management subsidiaries, (ii) non-bank traditional financial institutions, such as securities firms, fund managers and insurance companies with internal sales capabilities, (iii) online-based service providers, and (iv) third-party professional wealth management services providers that are not associated with financial institutions. Many of these competitors possessed greater financial and marketing resources than we did. To compete, our former wealth management business leveraged an elite entrepreneurship strategy and a professional platform designed to empower financial advisors with advanced tools for asset allocation, trading, and client management. This allowed us to provide personalized, professional services tailored to the needs of middle-class and affluent families. We exited this competitive landscape through the disposal of our wealth management operations in September 2025.

Intellectual Property

Our brand, trade names, trademarks, trade secrets, proprietary database and research reports and other intellectual property rights distinguish the products we distribute and our services from those of our competitors and contribute to our competitive advantage in the insurance intermediary and wealth management services industry. We rely on a combination of trademark and trade secret laws as well as confidentiality agreements and non-compete covenants with our employees, sales agents, contractors and our third-party wealth management product providers. We also enter into confidentiality agreements with our seed clients. We hold 106 pieces of registered computer software copyrights, 76 registered trademarks and 46 registered domain names.

Insurance

We participate in government sponsored social security programs including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing insurance. We also maintain a director and officer liability insurance policy for our board of directors and executive officers. We do not maintain business interruption insurance or key-man life insurance. We consider our insurance coverage to be in line with that of other wealth management companies of similar size in China.

Government Regulations

PRC Regulations Relating to Insurance Industry

The insurance industry in the PRC is highly regulated. Between 1998 and March 2018, CIRC was the regulatory authority responsible for the supervision of the Chinese insurance industry. In March 2018, the CBIRC, was established as the result of the merger between CIRC and CBRC, replacing CIRC as the regulatory authority for the supervision of the Chinese insurance industry. The NFRA was formed in May 2023, replacing the CBIRC to inherit the authority of CIRC. Insurance activities undertaken within the PRC are primarily governed by the Insurance Law (“*中华人民共和国保险法*”) and the related rules and regulations.

Initial Development of Regulatory Framework

The Chinese Insurance Law was enacted in 1995. The original insurance law, which we refer to as the 1995 Insurance Law, provided the initial framework for regulating the domestic insurance industry. Among the steps taken under the 1995 Insurance Law were the following:

- Licensing of insurance companies and insurance intermediaries, such as agencies and brokerages. The 1995 Insurance Law established requirements for minimum registered capital levels, form of organization, qualification of senior management and adequacy of the information systems for insurance companies and insurance agencies and brokerages.
- Separation of property and casualty insurance businesses and life insurance businesses. The 1995 Insurance Law classified insurance between property, casualty, liability and credit insurance businesses, on the one hand, and life, accident and health insurance businesses on the other, and prohibited insurance companies from engaging in both types of businesses.

- Regulation of market conduct by participants. The 1995 Insurance Law prohibited fraudulent and other unlawful conduct by insurance companies, agencies and brokerages.
- Substantive regulation of insurance products. The 1995 Insurance Law gave insurance regulators the authority to approve the basic policy terms and premium rates for major insurance products.
- Financial condition and performance of insurance companies. The 1995 Insurance Law established reserve and solvency standards for insurance companies, imposed restrictions on investment powers and established mandatory reinsurance requirements, and put in place a reporting regime to facilitate monitoring by insurance regulators.
- Supervisory and enforcement powers of the principal regulatory authority. The principal regulatory authority, then the PBOC, was given broad powers under the 1995 Insurance Law to regulate the insurance industry.

Establishment of the CIRC and 2002 Amendments to the Insurance Law

China's insurance regulatory regime was further strengthened with the establishment of the CIRC in 1998. The CIRC was given the mandate to implement reform in the insurance industry, minimize insolvency risk for Chinese insurers and promote the development of the insurance market.

The 1995 Insurance Law was amended in 2002 and the amended insurance law, which we refer to as the 2002 Insurance Law, became effective on January 1, 2003. The major amendments to the 1995 Insurance Law include:

- Authorizing the CIRC to be the insurance supervisory and regulatory body nationwide. The 2002 Insurance Law expressly grants the CIRC the authority to supervise and administer the insurance industry nationwide.
- Expanding the permitted scope of business of property and casualty insurers. Under the 2002 Insurance Law, property and casualty insurance companies may engage in the short-term health insurance and accident insurance businesses upon the CIRC's approval.
- Providing additional guidelines for the relationship between insurance companies and insurance agents. The 2002 Insurance Law requires an insurance company to enter into an agent agreement with each insurance agent that will act as an agent for that insurance company. The agent agreement sets forth the rights and obligations of the parties to the agreement as well as other matters pursuant to law. An insurance company is responsible for the acts of its agents when the acts are within the scope authorized by the insurance company.
- Relaxing restrictions on the use of funds by insurance companies. Under the 2002 Insurance Law, an insurance company may use its funds to make equity investments in insurance-related enterprises, such as asset management companies.
- Allowing greater freedom for insurance companies to develop insurance products. The 2002 Insurance Law allowed insurance companies to set their own policy terms and premium rates, subject to the approval of, or a filing with, the CIRC.

2009 Amendments to the Insurance Law

The 2002 Insurance Law was amended again in 2009 and the amended insurance law, which we refer to as the 2009 Insurance Law, became effective on October 1, 2009. The major amendments to the 2009 Insurance Law include:

- Strengthening protection of the insured's interests. The 2009 Insurance Law added a variety of clauses such as incontestable clause, abstained and estoppel clause, common disaster clause and amending immunity clause, claims-settlement prescription clause, reasons for claims rejection and contract modification clause.

- Strengthening supervision on the qualification of the shareholders of the insurance companies and setting forth specific qualification requirements for the major shareholders, directors, supervisors and senior managers of insurance companies.
- Expanding the business scope of insurers and further relaxing restriction on the use of fund by insurers.
- Strengthening supervision on solvency of insurers with stricter measures.
- Tightening regulations governing the administration of insurance intermediary companies, especially those relating to behaviors of insurance agents.

According to the 2009 Insurance Law, the minimum registered capital required to establish an insurance agency or insurance broker as a company must comply with the PRC Company Law (“中华人民共和国公司法”). The registered capital or the capital contribution of insurance agencies or insurance brokers must be paid-up capital in cash. The 2009 Insurance Law also sets forth some specific qualification requirements for insurance agency and broker practitioners. The senior managers of insurance agencies or insurance brokers must meet specific qualification requirements, and their appointments are subject to approval of the CIRC. Personnel of an insurance agency or insurance broker engaging in the sales of insurance products must meet the qualification requirements set by the CIRC and obtain a qualification certificate issued by the CIRC. Under the 2009 Insurance Law, the parties to an insurance transaction may engage insurance adjusting firms or other independent appraisal firms that are established in accordance with applicable laws, or persons who possess the requisite professional expertise, to conduct assessment and adjustment of the insured subject matters. Additionally, the 2009 Insurance Law specifies additional legal obligations for insurance agencies and brokerages.

2014 Amendments to the Insurance Law

The 2002 Insurance Law was amended again in 2014 and the amended insurance law, which we refer to as the 2014 Insurance Law, became effective on August 31, 2014. The major amendments of the 2014 Insurance Law include:

- Relaxing restrictions on actuaries. The 2014 Insurance Law no longer requires Insurance companies shall employ actuaries recognized by the insurance regulatory authority under the State Council. However, an insurance company shall also engage professionals, and establish an actuarial reporting system and a compliance reporting system as before.

2015 Amendments to the Insurance Law

The 2014 Insurance Law was amended again in 2015 and the amended insurance law, which we refer to as the 2015 Insurance Law, became effective on April 24, 2015. The major amendments of the 2015 Insurance Law include:

- Eliminating the requirement for an insurance agent or broker to obtain a qualification certificate issued by the CIRC before providing any insurance agency or brokerage services.
- Relaxing the requirement for the establishment or other significant corporate events of an insurance agency or brokerage firm. For example, an insurance agency or brokerage firm is allowed to apply for a business permit from the CIRC and a business license from the local AIC simultaneously under the 2015 Insurance Law, while an insurance agency or brokerage firm had to apply for and receive a business permit issued by the CIRC before it could apply for a business license from and register with the relevant local AIC under the 2014 Insurance Law. Prior approval by the CIRC is no longer required for the divestiture or mergers of insurance agencies or brokerage firms, the change of their organizational form, or the establishment or winding-up of a branch by an insurance agency or brokerage firm.

The CIRC, the CBIRC and NFRA

The NFRA or each of its predecessors has extensive authority to supervise insurance companies and insurance intermediaries operating in the PRC, including the power to:

- promulgate regulations applicable to the Chinese insurance industry;
- investigate insurance companies and insurance intermediaries;
- establish investment regulations;
- approve policy terms and premium rates for certain insurance products;
- set the standards for measuring the financial soundness of insurance companies and insurance intermediaries;
- require insurance companies and insurance intermediaries to submit reports concerning their business operations and condition of assets;
- order the suspension of all or part of an insurance company or an insurance intermediary's business;
- approve the establishment, change and dissolution of an insurance company, an insurance intermediary or their branches;
- review and approve the appointment of senior managers of an insurance company, an insurance intermediary or their branches; and
- punish insurance companies or intermediaries for improper behaviors or misconducts.

Regulation of Insurance Agents

The principal regulation governing insurance agents is the Provisions on the Supervision and Administration of Insurance Agents (“*保险代理人监管规定*”), or the PSAIA, issued by the CBIRC on November 12, 2020 and effective on January 1, 2021, replacing the Provision on the Supervision and Administration of Professional Insurance Agencies (“*保险专业代理机构监管规定*”) issued by the CIRC on September 25, 2009 and amended on April 7, 2013, the Measures on the Supervision and Administration of Insurance Salespersons (“*保险销售从业人员监管办法*”) issued on January 6, 2013 and the Interim Measures on the Administration of Ancillary-Business Insurance Agency (“*商业银行代理保险业务管理办法*”) issued on August 4, 2000.

The term of “insurance agent” refers to an entity or an individual entrusted by insurance companies to handle insurance business by and within the authorization of, and which collects commissions from insurance companies, and includes a professional insurance agency, ancillary-business insurance agency and individual insurance sales agent which refers to a captive insurance agent of an insurance company.

The practitioner of an insurance agency refers to an individual engaged in the sales of insurance products or loss assessment and claims settlement services for a professional insurance agency or ancillary-business insurance agency.

To engage in insurance agency business, a professional insurance agency shall obtain an insurance agency business permit issued by the CBIRC, after obtaining a business license, and satisfy the requirements prescribed by the PSAIA or other relevant regulations on shareholder and management qualification, capital contribution, articles of association, corporate governance and internal control procedures with viable business model and sound business and financial information system. An insurance agency may take any of the following forms: (i) a limited liability company; or (ii) a joint stock limited company. The name of a professional insurance agency shall contain the words “insurance agency”.

The minimum registered capital for establishing a nationwide professional insurance agency is RMB50 million and that for a regional professional insurance agency is RMB20 million. The registered capital of a professional insurance agency must be paid-in monetary capital. To operate outside of its registration place, a nationwide professional insurance agency shall set up local provincial branches first before setting up additional sub-branches and sales offices.

Professional insurance agencies shall, within 5 days from the date of occurrence of any of the following circumstances, report to the CBIRC through the supervision information system and make public disclosure: (i) change of name, domicile or business address; (ii) change of shareholders, registered capital or the form of organization; (iii) change of name or capital contribution of a shareholder; (iv) amendments to the articles of association; (v) equity investment in, or establishment of offshore insurance institutions or non-operating institutions; (vi) division, merger, dissolution, or termination of insurance agency business activities of branches; (vii) change of the principal person-in-charge of a sub-branch; (viii) administrative punishment, civil punishment or pending investigation of suspected illegal crime; or (ix) other reportable events prescribed by the insurance regulatory body under the State Council.

A professional insurance agency may engage in all or part of the following businesses: (i) selling insurance products on behalf of insurance companies; (ii) collecting insurance premium on behalf of insurance companies; (iii) insurance-related loss survey and claims settlement on behalf of insurance companies; or (iv) other relevant businesses stipulated by the insurance regulatory body under the State Council. Insurance agents shall not engage in insurance agency business beyond the business scope and business area of the insurance companies for which they act as agents.

A professional insurance agency and its sales practitioners and individual insurance agents are not allowed to sell non-insurance financial products, except for non-insurance financial products approved by relevant financial regulatory authorities provided that all necessary qualification requirements are being met.

A professional insurance agency shall, within 20 days upon obtaining business permits, procure professional liability insurance or make contributions to security deposits. Minimum compensation for each accident under the one-year professional liability insurance policy shall be no less than RMB1 million, and accumulative compensation under the one-year insurance policy shall be no less than RMB10 million and the total core business revenue of the professional insurance agency company in the previous year. If a professional agency intends to pay deposit, the deposit shall be paid at 5% of its registered capital and when it increases its registered capital, the amount of the deposit shall be increased proportionately.

The senior managers of a professional insurance agency must meet specific qualification requirements in educational background and relevant industry working experience set forth in the PSAIA.

An insurance agent shall perform sales practicing register with the CRIBC's Insurance Intermediaries Regulatory Information System for its individual insurance agent or sales practitioner. Each individual insurance agent or sales practitioner of an insurance agency can only be allowed to register with one institution.

Specific information disclosure requirements are also provided in the PSAIA. For example, it is required that a professional insurance agency or its branches shall place its business license and copies of permit in a prominent position in its domicile or business site. Moreover, insurance agency shall within 5 days from the occurrence of the situation, report through the Regulatory Information System and make public disclosure in case of changing its name, business sites and etc. Insurance agents shall make full disclosure of all relevant information of insurance products to policyholders and make a clear representation of the clauses in the insurance contract including liability, liability reduction or exemption, cancellation and other expense deductions, cash value, cooling-off period and etc.

Regulation of Insurance Brokerages

The principal regulation governing insurance brokerages is the Provisions on the Supervision and Administration of Insurance Brokers (“*保险经纪人监管规定*”), or the POSAIB, promulgated by the CIRC on February 1, 2018 and effective May 1, 2018, replacing the Provisions on the Supervision of Insurance Brokerages (“*保险经纪机构管理规定*”) issued on September 25, 2009, as amended on April 27, 2013, and the Measures on the Supervision and Administration of Insurance Brokers and Insurance Claims Adjustors (“*保险经纪从业人员、保险公估从业人员监管办法*”) issued by the CIRC on January 6, 2013.

The term of “insurance broker” refers to an entity which, representing the interests of insurance applicants, acts as an intermediary between insurance applicants and insurance companies for entering into insurance contracts, and collects commissions for the provision of such brokering services. The term of “insurance brokerage practitioner” refers to a person affiliated with an insurance broker who drafts insurance application proposals or handles the insurance application formalities for insurance applicants or the insured or assists insurance applicants or the insured in claiming compensation or who provides clients with disaster or loss prevention or risk assessment or management consulting services or engages in reinsurance brokerage, among others.

To engage in insurance brokerage business within the territory of the PRC, an insurance brokerage shall satisfy the requirements prescribed by the CIRC and obtain an insurance brokerage business permit issued by the CIRC, after obtaining a business license. An insurance broker may take any of the following forms: (i) a limited liability company; or (ii) a joint stock limited company.

The minimum registered capital of an insurance brokerage company whose business area is not limited to the province in which it is registered is RMB50 million while the minimum registered capital of an insurance brokerage company whose business area is limited to its place of registration is RMB10 million.

The name of an insurance broker shall include the words “insurance broker/brokerage.” An insurance broker must register the information of its affiliated insurance brokerage practitioners with the IISIS. One person can only be registered with the IISIS through one insurance broker.

An insurance broker may conduct the following insurance brokering businesses:

- making insurance proposals, selecting insurance companies and handling the insurance application procedures for the insurance applicants;
- assisting the insured or the beneficiary to claim compensation;
- reinsurance brokering business;
- providing consulting services to clients with respect to disaster and damage prevention, risk assessment and risk management; and
- other business activities approved by the CIRC.

An insurance broker shall submit a written report to the CIRC through the IISIS and make public disclosure within five days from the date of occurrence of any of the following matters: (i) change of name, domicile or business premises; (ii) change of shareholders, registered capital or form of organization; (iii) change of names of shareholders or capital contributions; (iv) amendment to the articles of association; (v) equity investment, establishment of offshore insurance-related entities or non-operational organizations; (vi) division, merger and dissolution or termination of insurance brokering business activities of its branches; (vii) change of the primary person in charge of its branches other than provincial branches; (viii) being a subject of administrative or criminal penalties, or under investigation for suspected involvement in any violation of law or a crime; and (ix) other reportable events prescribed by the CIRC.

Insurance broker and its practitioners are not allowed to sell non-insurance financial products, except for those products approved by relevant financial regulatory institutions and the insurance broker and its practitioners shall obtain relevant qualifications in order to sell non-insurance related financial products that meets regulatory requirements.

Personnel of an insurance broker and its branches who engage in any of the insurance brokering businesses described above must comply with the qualification requirements prescribed by the CIRC. The senior managers of an insurance broker must meet specific qualification requirements set forth in the POSAIB.

Regulation of Insurance Claims Adjusting Firms

The principal regulation governing insurance adjusting firms is the Provisions on the Supervision and Administration of Insurance Claims Adjustors (“*保险公估人监管规定*”), or the POSAICA, issued by the CIRC on February 1, 2018 and effective on May 1, 2018, replacing the Provisions on the Supervision of Insurance Claims Adjusting Firms (“*保险公估机构监管规定*”) effective on October 1, 2009, as amended on September 29, 2013 and 2015, and the Regulation of Insurance Brokers and Insurance Adjustors effective on July 1, 2013 (“*保险经纪从业人员、保险公估从业人员监管办法*”).

According to the POSAICA, the term “insurance adjustment” refers to the assessment, survey, authentication, loss estimation and relevant risk assessment of the insured subject matters or the insurance incidents conducted by an appraisal firm and its professional appraisers upon the entrustment of the parties concerned. The term of “insurance adjusting firm” refers to an entity and any of its branches which engages in the aforementioned businesses.

The term “insurance adjustment practitioner” refers to a person retained by an insurance claims adjusting firm to conduct the following activities on behalf of an entruster: i) inspecting, appraising the value of and assessing the risks of the subject matter before and after it is insured; ii) surveying, inspecting, estimating the loss of, adjusting and disposing of the residual value of the insured subject matter after a loss has been incurred; and iii) risk management consulting.

Insurance adjustment practitioners include claims adjustors and assessment practitioners with claims adjustment knowledge and practical experience. A claims adjustor refers to an individual who has passed the qualification examination for the insurance claims adjustors organized by the CIRC.

An insurance claims adjusting firm must meet the requirements prescribed by the China Asset Appraisal Law (“*中华人民共和国资产评估法*”) and applicable regulations issued by the CIRC and must file its business records with the CIRC and its local offices.

According to the regulation, an insurance adjusting firm should take the form of a company or a partnership in accordance with applicable law and retains claims adjustment practitioners to engage in insurance claims adjusting businesses. A claims adjusting firm in the form of a partnership must have at least two claims adjustors and two-thirds of its partners should be claims adjustors who have at least three years’ working experience in claims adjustment and have no record of administrative penalties in relation to claims adjustment activities in the past three years. A claims adjusting firm in the form of a company must have at least eight claims adjustors and two shareholders among which at least two-thirds are claims adjustors who have at least three years’ working experience in claims adjustment and have no record of administrative penalties in relations to claims adjustment activities in the past three years.

The establishment of an insurance claims adjusting firm only requires the application for a business license from and registration with the SAMR, instead of both applying for business license and obtaining approval by the CIRC as previously required.

A claims adjusting firm may include a nationwide claims adjusting firm and regional claims adjusting firm. A nationwide claims adjusting firm can conduct business within the territory of the PRC and can establish branches in provinces other than its place of registration while a regional one can only conduct business and establish branches in the province where it is registered. A claims adjusting firm in the form of a company must file its business record with the CIRC if it is a nationwide claims adjusting firm or file with the local offices of the CIRC in the region where it is registered if it is a regional claims adjusting firm. A partnership firm must file its business record with the CIRC.

An insurance claims adjusting firm must meet certain requirements in order to engage in claims adjustment business which include, among others, i) its shareholders or its partners must meet the requirements mentioned above and its capital contribution must be self-owned, actual and lawful and must not be non-self-owned capital in various forms such as bank loan; and ii) it must have adequate working capital to support its day-to-day operation and risk undertaking in accordance with its business development plan. A nationwide entity must have at least RMB2 million working capital while a regional one must have at least RMB1 million.

An insurance adjusting firm may engage in the following businesses:

Upon approval of the CIRC, an insurance adjusting firm may engage in the following businesses:

- inspecting, appraising the value of and assessing the risks of the subject matter before and after it is insured;
- surveying, inspecting, estimating the loss of, adjusting and disposing of the insured subject matter after loss has been incurred;
- risk management consulting; and
- other business activities approved by the CIRC.

The name of an insurance adjusting firm must contain the words “insurance adjusting” and must avoid duplicating names of existing insurance claims adjusting firms. In any of the following situations, an insurance adjusting firm shall submit a written report to the CIRC when it within five days from the date the resolution for change has been passed: (i) change of name, domicile or business premises; (ii) change of shareholders or partners; (iii) change of registered capital or form of organization; (iv) change of names of shareholders or partners or capital contributions; (v) amendment to the articles of association or the partnership agreement; (vi) equity investment, establishment of offshore insurance related entities or non-operational organization; (vii) division, merger and dissolution or termination of insurance claims adjustment business of its branches; (viii) change of chairman of its board of directors, executive directors or senior management; (ix) being a subject of administrative or criminal penalties, or under investigation for suspected involvement in a crime; and (x) other reportable events specified by the CIRC.

Personnel of an insurance adjusting firm or its branches engaged in any of the insurance adjusting businesses described above must comply with the qualification requirements prescribed by the CIRC. The senior managers of an insurance adjusting firm must meet specific qualification requirements set forth in the POSAICA.

An insurance claims adjustment practitioner must join an insurance claims adjusting firm in order to conduct insurance claims adjustment activities. The insurance claims adjusting firm to which he or she belongs must register his or her information with the CIRC’s Insurance Intermediary Supervision Information System or IISIS. One person can only conduct insurance adjustment activities for one insurance claims adjusting firm and can only be registered with the IISIS through one insurance claims adjusting firm.

At least two insurance claims adjustment practitioners must be appointed to undertake each case of insurance claims adjustment businesses and the claims adjustment report shall be signed by at least two insurance claims adjustment practitioners engaged in the claims adjustment activities and chopped by the claims adjusting firm to which he or she belongs.

Regulation of Insurance Intermediary Service Group Companies

The principal regulation governing insurance intermediary groups is the Provisional Measures for Supervision and Administration of the Insurance Intermediary Service Group Companies (for Trial Implementation) (“*保险中介服务集团公司监管办法（试行）*”) issued by the CIRC on September 22, 2011 with immediate effect. According to the regulation, the term “insurance intermediary service group company” refers to a professional insurance intermediary company that is established in accordance with applicable laws and regulations and with the approval of the CIRC that exercises sole or shared control of, or is able to exert major influence over, at least two subsidiaries that are professional insurance intermediary companies primarily engaged in the insurance intermediary business.

An insurance intermediary service group company must have:

- a registered capital of at least RMB100 million;
- no record of material violation by investors of applicable laws and regulations in the previous three years;

- at least five subsidiaries, among which at least two are professional insurance intermediary companies which contribute at least 50% of the total revenues of the group;
- chairman (Executive director) and the senior management with qualifications stipulated by the CIRC;
- perfect governance structure, sound organization, effective risk management and internal control management system;
- business premises and office equipment which are suitable for the development of the businesses; and
- other conditions stipulated by laws, administrative regulations and the CIRC.

The name of an insurance intermediary service group must contain the words “Group” or “Holding.” Its principal business must be equity investment, management and provision of supporting services. An insurance intermediary service group company shall, submit a written report to the CIRC and its local counterparts at the place of registration within five working days after the date of occurrence of the following: (i) changing its registered name or address; (ii) changing its registered capital; (iii) changing its equity structure by more than 5% or shareholders holding more than 5% of shares; (iv) changing its articles of association; (v) establishing, acquiring, merging or closing its subsidiary; (vi) engaging in related party transactions between member companies; (vii) disincorporating; (viii) significantly changing its business scope; or (ix) making a major strategic investment, suffering a significant investment loss or experiencing other material events or emergencies that affect or may affect the business management, financial status or risk control of the group. Senior managers of an insurance intermediary service group company must meet specific qualification requirements and appointment of the senior managers of an insurance intermediary service group company is subject to review and approval by the CIRC.

Regulations on Internet Insurance

The principal regulation governing the operation of internet insurance business is the Measures for the Supervision of the Internet Insurance Business (“互联网保险业务监管办法”), or the Measures, promulgated on December 7, 2020 and effective on February 1, 2021, replacing the Interim Measures for the Supervision of the Internet Insurance Business (“互联网保险业务监管暂行办法”), or the Interim Measures, issued on July 22, 2015 and effective on October 1, 2015.

According to the Measures, the term of “internet insurance business” refers to the business of concluding insurance contracts and providing insurance services by insurance institutions with internet technologies. Insurance institutions refer to insurance companies and insurance intermediaries which include insurance agents (except individual insurance agents), insurance brokerage firms and insurance claims adjusting firms. Insurance agents (except individual insurance agents) refer to professional insurance agencies, bancassurance-related ancillary insurance agencies and internet companies that have obtained licenses for engaging in insurance agency business in accordance with applicable laws and regulations. Non-insurance institutions are not allowed to conduct internet insurance business, including but not limited to, providing insurance product consultancy services, providing insurance product comparison, price quotation and price comparison services, designing insurance plans for the insureds and handling insurance application formalities on behalf of the insureds and collecting premiums by proxy.

A self-operated internet platform refers to an internet platform established by insurance institutions for conducting insurance business, by which insurance institutions can operate business independently and have full access to the data on the platform. The internet insurance business of an insurance institution shall be operated and managed by its headquarter with standardized and centralized business platform, business procedures and management system.

To carry out internet insurance business, an insurance institution shall meet the following requirements, among others: (i) making ICP filing in the case of operating a mobile application or website; (ii) maintaining independent information management system and core business system to support its internet insurance business operation; (iii) equipped with a comprehensive working mechanism for network security monitoring, information alert, emergency management, and cybersecurity protection measures for border protection, intrusion detection, data protection and disaster recovery; (iv) equipped with certified Safety Level-III Computer Information System for a self-operated online platform that can facilitate insurance sales and application and no lower than Safety level-II Computer Information System for self-operated online platforms without insurance sales and application functions; (v) having designated department and personnel for managing the internet insurance business; (vi) maintaining sound management system and operating procedures; (vii) having a sound Internet insurance business management system and operating rules; (viii) when an insurance company carries out Internet insurance sales, it shall comply with the relevant regulations of the CBIRC on solvency, supervision and evaluation of consumer rights and interests protection, etc.; (ix) professional insurance intermediaries shall be national institutions, and their business areas shall not be limited to the provinces (autonomous regions, municipalities directly under the Central Government, cities separately listed on the State plan) where the head office's business license is registered, and comply with the relevant provisions of the CBIRC on the classified supervision of insurance professional intermediary institutions; (x) other conditions prescribed by the Bancassurance Regulatory Commission.

Insurance institutions shall carefully evaluate their own risk management and control capacity and customer service capacity, and rationally determine and choose insurance products and the scope of sales activities suitable for internet operations.

Insurance institutions engaging in internet insurance business shall establish official website and set up internet insurance column for information disclosure.

The Measures also specifies requirements on disclosure of information such as information regarding insurance products sold on the internet, the qualification of the insurance institutions operating the internet insurance business, contact methods for local support and compliant provides guidelines for the operations of the insurance institutions that engage in internet insurance business.

Regulation on Internet Life Insurance

The Notice on Further Regulation of Matters Relating to the Internet Life Insurance Business of Insurance Institutions (“关于进一步规范保险机构互联网人身保险业务有关事项的通知”), or the Notice, was issued on October 12, 2021, effective immediately. According to the Notice, internet life insurance business refers to the business activities of insurance companies to launch and sell internet life insurance products, conclude insurance contracts and provide insurance services by setting up self-operated network platforms or entrusting insurance intermediaries on their self-operated network platforms.

Insurance companies that meet relevant requirements of this Notice can conduct internet life insurance business without branches nationwide. If an insurance company entrusts an insurance intermediary to carry out internet life insurance business, the insurance intermediary should be a national institution. Where internet and offline distributions are both involved in a life insurance business, internet life insurance products shall not be sold, and the business area shall not be extended to areas without branches.

In order to carry out internet life insurance business, insurers (excluding internet insurance companies) shall meet the following conditions: (i) the comprehensive solvency ratio shall reach 120% and the core solvency ratio shall be no less than 75% for four consecutive quarters; (ii) the comprehensive risk rating shall be Class B or above for four consecutive quarters; (iii) the liability reserve adequacy ratio shall be higher than 100% for four consecutive quarters; (iv) the corporate governance level shall be C (qualified) or above; and (v) other conditions stipulated by the CBIRC.

Internet life insurance products are limited to accident insurance, health insurance (excluding long-term care insurance), term life insurance, life insurance with a coverage period of more than 10 years (excluding term life insurance), annuity insurance with a coverage period of more than 10 years, and other life insurance products stipulated by the CBIRC. Internet life insurance products that do not meet the requirements shall not be sold online, and their sales webpages shall not be publicly displayed on the internet or directly linked to from other webpages.

An insurance company applying for approval or distributing a newly approved life insurance with a payment period of more than 10 years (excluding term life insurance) and annuity insurance products with a coverage period of more than 10 years must meet the following conditions: (i) the comprehensive solvency ratio shall exceed 150% and the core solvency ratio shall be no less than 100% for four consecutive quarters; (ii) the comprehensive solvency margin shall exceed RMB3 billion for four consecutive quarters; (iii) the comprehensive risk rating shall be above Class A for four consecutive quarters (or six quarters within two years); (iv) no major administrative penalty imposed on the internet insurance business in the previous year; (v) the corporate governance level shall be B (good) or above; and (vi) other conditions stipulated by the CBIRC.

Insurance intermediaries selling life insurance with a payment period of more than 10 years (excluding term life insurance) and annuity insurance products with a coverage period of more than 10 years shall meet the following conditions: (i) experience in internet life insurance business for more than three years; (ii) complete sales management, policy management and customer service systems, as well as a safe, efficient and real-time internet payment and settlement system and process; (iii) no major administrative penalty imposed on the internet insurance business in the previous year; and (iv) other conditions stipulated by the CBIRC.

Regulation on Insurance Sales Behavior Management

On September 29, 2023, the NFRA issued the Measures for the Supervision of Insurance Sales Behavior (“*保险销售行为管理办法*”) (hereinafter referred to as the “*Sales Measures*”), effective from March 1, 2024.

According to the Sales Measures, only the following five categories of individuals are eligible to sell insurance:

- *Insurance Companies*: Employees engaged in insurance sales, individual insurance agents, and individuals under other forms of employment managed as sales personnel.
- *Insurance Agencies*: Individuals engaged in insurance agency services.
- *Insurance Brokers*: Individuals engaged in insurance brokerage services.

The Sales Measures categorize insurance sales activities into three stages - pre-sale, mid-sale, and after-sale behaviors - and regulate them accordingly.

Management of Insurance Pre-sale Behaviors

The NFRA requires (i) prohibition of cross-regional business expansion beyond authorized business scope, regional boundaries, and institutional authorization; (ii) alignment of data with regulatory requirements; (iii) establishment of a tiered management mechanism for insurance sales practitioners based on their qualifications, sales abilities, integrity and ethics level; (iv) classification of life insurance products by product types, complexity, risk level and affordability; (v) pre-sales product suitability assessment on the policyholders; (vi) restrictions on the pre-sales promotion of insurance, including the requirement for insurance institutions to conduct pre-approval and authorization for the dissemination of insurance sales promotional information by insurance sales practitioners; and (vii) Prohibition of Speculative Sales.

Management of Insurance Mid-sale Behaviors

The NFRA requires (i) consultative sales of insurance products to the insured based on their needs, risk and premium affordability, purchased similar insurance, etc. (ii) restriction on compulsory bundled-sales and default selection of insurance products via information systems or webpages to enter into insurance contracts with the insured; (iii) retrospective management of insurance sales process for insurance product sales activities through methods such as audio recording, video recording, sales page management, and recording operational traces; and (iv) funds management mechanism mandates strict oversight, adherence to regulations, and prohibits unethical practices by insurance personnel to ensure the integrity and proper handling of funds in the insurance sector.

Management of Insurance After-sale Behaviors

The NFRA requires (i) notification of salesperson departure or (ii) agency cooperation termination to the insured within 30 days, and (iii) protection of policyholders' interest following the departure of insurance salespersons or the termination of cooperation.

PRC Regulations Relating to Our Former Wealth Management Services

Prior to its disposal in September 2025, the distribution of wealth management products, depending on the type of product, was subject to different sets of laws, regulations and rules. This segment was engaged in, and was subject to regulations applicable to the distribution of publicly raised funds (including asset management plans issued by securities firms) and privately raised funds.

“Privately raised funds” refer to funds privately raised by securities and futures operators or private asset management plans established under the entrustment of assets, and privately raised funds established by privately raised fund managers registered with the AMAC.

“Privately raised securities investment funds” and “publicly raised securities investment funds” (generally abbreviated as “publicly raised funds”) refer to the funds that are established in accordance with the Securities Investment Fund Law, only invest in standardized securities assets, and are under control of a fund manager (who engages in securities investment for the benefit of fund shareholders) and custody of a fund custodian, who engages in securities investment for the benefit of fund shareholders. Publicly raised funds can be classified into different categories by various criteria. For example, they can be categorized by investment targets of stocks, bonds, hybrids and currencies, or by structure as close-ended or open-ended.

“Private equity investment funds” refer to the privately raised funds that mainly invest in private equity, including equities of non-listed enterprises, shares issued or traded privately by listed companies, convertible bonds, market-oriented and rule-of-law debt-to-equity swaps, equity fund units, and any other assets recognized by the CSRC.

Publicly Raised Funds and Distribution

Distribution of publicly raised fund products is governed by the People's Republic of China Securities Investment Fund Law (as amended in 2015) (“*中华人民共和国证券投资基金法*”), hereinafter referred to as the “*Securities Investment Fund Law*”, promulgated by the Standing Committee of the National People's Congress (“*SCNPC*”) on April 24, 2015 and took effect on the even date. Pursuant to the *Securities Investment Fund Law*, securities investment fund products shall be distributed by registered fund managers or licensed fund distributors. Fund distributors are required to make full disclosure to potential investors of the product-related investment risks and to distribute products to investors with corresponding level of risk bearing capacity.

Distribution of publicly raised fund products is also governed by the Measures for Distribution of Securities Investment Funds (as amended in 2013) (“*证券投资基金销售管理办法*”), hereinafter referred to as the “*Measures for Distribution of Securities Funds*”, which was promulgated by the CSRC on March 15, 2013 and took effect on June 1, 2013. The *Measures for Distribution of Securities Funds* regulates practitioners' activities in numerous respects including registration of fund distributors, means of fund distribution, fund advertisement standards, fees for fund distribution services, and so forth. For the purpose of the *Measures for Distribution of Securities Funds*, fund distributors mean fund managers as well as other entities that have been registered with or recognized by CSRC or its designees, such as independent fund distributors, commercial banks, securities companies, and so forth. Independent fund distributors shall be registered with the local CSRC offices of the place where the competent local administration for industry and commerce (“*AIC*”) authorities locate. Without registration with, license from, or recognition by the CSRC or its designees, no entity or individual may distribute fund products or engage in relevant business activities.

In addition, the Measures for Distribution of Securities Funds sets forth requirements for employees of independent fund distribution agencies. For an independent fund distribution agency to apply for the relevant license to conduct fund distribution business, at least ten of its senior management personnel shall possess fund practitioner qualification, along with other qualifications and experiences. The Measures for Distribution of Securities Funds also stipulates that the AMAC is to carry out self-regulation over fund distribution activities and in charge of fund practitioner qualification processes. Fund distributors and fund distribution service providers may join AMAC and submit to its self-regulation rules.

The Measures for Distribution of Securities Funds has been superseded by the Supervisory and Administrative Measures for Distributors of Publicly Raised Securities Investment Funds (“公开募集证券投资基金销售机构监督管理办法”), hereinafter referred to as the “Distributor Measures”, which was promulgated by the CSRC on August 28, 2020 and took effect on October 1, 2020. This revision of the “Distributor Measures” mainly aims at (i) strengthening the licensing requirements for fund distribution activities and clarifying the boundaries of the responsibilities of fund distributors and related fund service agencies; (ii) optimizing funds admission and exit mechanisms for fund distributors and orderly and healthy development of fund distribution industry ecology; (iii) consolidating business norms and institutional controls and establishment of institutional mechanisms centered on investor interests; and (iv) improving supervision on independent fund distributors and independent fund distributors’ professional compliance.

In order to clarify the implementation arrangement of the Distributor Measures, the CSRC also promulgated the Implementing Provisions on the Supervisory and Administrative Measures for Distributors of Publicly Raised Securities Investment Funds (“关于实施《公开募集证券投资基金销售机构监督管理办法》的规定”) and the Interim Provisions on the Administration of Publicly Raised Securities Investment Fund Publicity and Promotion Materials (“公开募集证券投资基金宣传推介材料管理暂行规定”), both of which took effect on October 1, 2020.

According to the Distributor Measures, “Fund Distribution” means activities of opening fund transaction accounts for investors, publicizing and promoting funds, handling offering/subscription/redemption of fund units and inquiring on fund transaction accounts.

“Fund Distributors” means organizations registered with the CSRC or its local offices and qualified to engage in fund distribution business. Without registration, no entity or individual may engage in fund distribution business. Fund distributors are different from fund service agencies engaging in distribution-related service of payment, unit registration, information technology system, and so forth.

“Independent Fund Distributors” means organizations specialized in distribution of publicly raised funds and privately raised securities investment funds. Unless otherwise provided for by the CSRC, an independent fund distributor may not engage in any other business.

The Distributor Measures sets forth the requirements for independent fund distributors. Neither shareholder of an independent fund distributor nor controlling shareholder or actual controller of the shareholders may either hold shares in more than two independent fund distributors or control more than one of the independent fund distributors, except as otherwise provided for by the CSRC.

An independent fund distributor shall ensure its independence in terms of business, employees and place of business from those of any of its shareholder, actual controller or related party, or any other institution. Employees of independent fund distributors may not hold positions in any other organizations, unless otherwise provided for by laws and regulations or the CSRC. Independent fund distributors desiring to establish a branch shall first meet the requirements as follows: (i) having engaged in fund distribution business for over three consecutive and complete fiscal years, and (ii) the daily average quantity of distributed fund for the latest fiscal year being not less than RMB10,000,000,000.

Neither a fund distributor nor its employees may engage in fund distribution activities if under any of the following circumstances:

- (i) false records, misleading statements, or major omissions;
- (ii) promises, in violation of the provisions, of no or limited amount/proportion of losses in income or principal;

- (iii) prediction on fund investment performance or publicity of prospective yield rate;
- (iv) seducing investors to purchase any fund product that beyond their risk bearing capacities;
- (v) failure to effectively disclose to investors important information on the actual distributor or the fund products distributed or obscuring such information by glossing over the service platform or the service brand;
- (vi) distributing funds by the means of lottery, rebate or giving out material gifts, insurance, fund units or other presents;
- (vii) engaging in fund distribution business, disseminating/releasing fund promotion materials to the general public; or offering fund units to them before the application for fund offering registration is duly completed;
- (viii) distributing funds not at the time provided for by the laws and regulations, the CSRC rules, the prospectus or the fund units offering announcement; or altering fund unit offering date without required announcement;
- (ix) misappropriation of fund distribution settlement capital or fund units; irregularly evading the close-loop operation requirements for fund distribution settlement capital by the means of, *inter alia*, fund unit transfer to the detriment of investors' capital safety;
- (x) using or promising to use fund assets or fund distribution business for the purpose of benefit transfer or benefit exchange;
- (xi) leaking relevant information of investors or non-public information concerning fund investment operation in violation of provisions;
- (xii) distributing funds at the expenses lower than the cost;
- (xiii) implementing discriminative, exclusive and bundled sales arrangements; and
- (xiv) other circumstances prohibited by the CSRC.

On October 25, 2019, the Department of Fund and Intermediary Supervision of the CSRC promulgated the Circular on Pilot Implementation of Investment Consulting Business of the Publicly Raised Securities Investment Funds (“关于做好公开募集证券投资基金投资顾问业务试点工作的通知”), hereinafter referred to as the “Investment Consulting Business Circular”. In accordance with Investment Consulting Business Circular: (i) institutions with asset management qualification (such as securities companies and fund management companies), and (ii) fund distribution institutions (such as commercial banks, securities companies, futures companies, insurance companies with fund distribution qualification and independent fund distribution institutions) with no less than RMB 10,000,000,000 balance of distributed publicly raised funds (exclusive of money market funds) may apply for the publicly raised fund consulting business qualification. In addition, the applicant shall also meet the requirements relating to the client base, compliance records, research team, investment consultants, information technologies, business solutions and policies. Qualified institutions are entitled to apply for the publicly raised fund consulting business qualification in order to advise their clients on fund investment portfolios and strategies, and to subscribe, redeem, or convert funds for and on behalf of their clients.

The Administrative Measures for the Suitability of Future Investors in securities (“证券期货投资者适当性管理办法”), hereinafter referred to the “Measures No. 130”, which was promulgated by the CSRC on December 12, 2016 and recently amended on August 12, 2022 and took effect on the even date, stipulates that investors are categorized into ordinary investors and professional investors. Different types of investors have different criteria. Fund distributors shall perform the corresponding disclosure obligation, and distribute or provide appropriate products to appropriate investors based on such factors as different risk bearing capacities of investors and different risk degrees of products or services.

Pursuant to the Minutes of the National Court Work Conference for Civil and Commercial Trial (“全国法院民商事审判工作会议纪要”), hereinafter referred to as the “Conference Minutes”, promulgated by the Supreme People’s Court on November 8, 2019, where the issuer or distributor of a financial product fails to fulfill its suitability obligation and causes any loss to the financial consumer in the process of purchasing the financial product, the financial consumer may not only request the issuer of the financial product to bear the liability for compensation, but also request the distributor of the financial product to bear the liability for compensation jointly and severally.

The Supreme People’s Court promulgated the Minutes of National Court Work Conference for Finance-Related Trial (Draft for Comments) (“全国法院金融审判工作会议纪要（征求意见稿）”) on April 13, 2023, summarizing common issues in trial of cases concerning asset management in financial industry and rendering judicial opinions. We keep close attention to the official promulgation of these minutes.

Our group conducts the distribution of publicly raised funds through a subsidiary of the VIE, Fanhua Puyi, which has obtained its License to Conduct Securities and Futures Business from the CSRC in 2013 and has had the license renewed on March 9, 2017 the latest. With its license, Fanhua Puyi can conduct business of fund product distribution. As of June 30, 2024, Fanhua Puyi had a total of 197 qualified fund professionals. It is also an active member of the AMAC with its membership being valid through May 14, 2025.

As of the date of this annual report, Fanhua Puyi distributes fund products, including but not limited to mixed fund products, which is not in violation of any prohibitive regulations of the CSRC.

On May 10, 2022, the AMAC promulgated the Administrative Rules for Fund Practitioners (“基金从业人员管理规则”), hereinafter referred to as the “AMAC Rules”, effective on the same date. The AMAC Rules governs institutions engaging in publicly raised fund distribution, emphasizes the fiduciary duty of practitioners, reinforces self-regulation of fund practitioners by professional ethics and code of conduct, specifies institutions’ responsibilities in administering practitioners’ qualifications, and guides institutions and practitioners to comply with laws and regulation in their fund-related business activities. Institutions are responsible for qualification administration, including qualification registration, change in qualification information, ensuing career training, credit record, qualification deregistration, and so forth. Institutions shall establish and enhance a practitioner qualification regime, specify job duties, reinforce practitioners’ professional ethics education, define code of conduct, organize practitioners’ qualification administration and ensuing career training, and so forth. Failure to administer its practitioners as required will result in (i) the institution being subject to disciplinary sanctions, including suspension of relevant business, and suspension/cancellation of membership, (ii) occupational punishment, and/or (iii) the personnel in the VIE with direct liabilities being subject to disciplinary sanctions, including public censure, suspension/cancellation of fund qualification, and blacklisting.

The AMAC has amended the AMAC Rules and the Provisions on Matters Concerning Implementation of the Administrative Rules for Fund Practitioners (“《基金从业人员管理规则》及《关于实施〈基金从业人员管理规则〉有关事项的规定》”) and has promulgated them on November 24, 2023, which took effect on the same date. Such amendment focused on the respects of specifying compliance and integrity requirements for the objects governed, increasing circumstances for practitioners’ qualification accreditation, reinforcing subsequent training and guidance, and so forth.

The CSRC promulgated Publicly Raised Securities Investment Fund Managers Supervision and Administration Measures (“公开募集证券投资基金管理人监督管理办法”) on May 20, 2022, effective on June 20, 2022. The measures aim to: (i) regulate publicly raised fund management activities; (ii) reinforce supervision on and administration of the publicly raised fund managers; (iii) protect legitimate rights and interests of fund unit holders and other related parties; and (iv) boost orderly development of publicly raised fund industry. The measures play a positive role toward protecting legitimate rights and interest of the clients of fund distributors. On March 27, 2025, the CSRC promulgated Decision of China Securities Regulatory Commission on Amending Certain Regulations on Securities and Futures (“中国证券监督管理委员会关于修改部分证券期货规章的决定”) to amend said Measures to the effect that, where a fund management company has set up an audit committee of directors within its board of directors to perform the function of board of supervisors, no supervisor (or board of supervisors) is required any longer.

The AMAC promulgated the Publicly Raised Securities Investment Funds Investor Education Work Guidance (Trial Implementation)(“《公开募集证券投资基金投资者教育工作指引(试行)》”) on August 25, 2023, effective on the same date. Such Guidance mainly encompasses provisions on definition and scope of investor education; targets, principles, contents and routes of investor education; guidance for the industry to introduce investor education into enterprise cultures and various businesses; reinforcing resources guarantee for investor education in systemic, organizational, personnel, procedural, funding and other respects; and establishing investment education resources sharing mechanism and evaluation system.

On December 8, 2023, the CSRS promulgated the Provisions on Reinforcing Administration of Publicly Raised Securities Investment Fund Securities Transactions (关于就《关于加强公开募集证券投资基金证券交易管理的规定(征求意见稿)》公开征求意见的通知), aiming to regularize administration of fund managers' securities trading commission and its distribution, protect legitimate rights and interests of fund unit holders and raise securities companies' competency in serving institutional investors. It mainly encompasses provisions on modes for fund managers to participate securities trading, including entrustment of a securities company (hereinafter referred to as “Securities Company Trading Mode”) and leasing of trading units from securities companies; the trading fee rate for the funds administered by fund managers being the stock trading commission rate for passive equity funds, which in general shall not exceed the market average stock trading commission rate and shall not be used as disguised form for payment of research service and other fees; when other funds are paying research service fee in the form of trading commission, the stock trading commission rate in general shall not exceed twice of the market average stock trading commission rate. Except for the funds managed by fund managers adopting Securities Company Trading Mode, the annual trading commission total amount generated from the securities trading entrusted to one securities company by one fund manager shall not exceed 15% of the total commission for all the fund's securities trading in that current year. Securities brokerage subsidiary(ies) controlled by a security company shall be consolidated into its parent company when computing the aforesaid ratio; managers of stock and hybrid funds with total amount of the funds managed below RMB1,000,000,000 are exempted from the aforesaid ratio limitation, provided that the annual trading commission total amount generated from the securities trading entrusted to one securities company by one fund manager shall not exceed 30% of the total commission for all the fund's securities trading in that current year. In addition, it also provides for the contents of and requirements for fund managers' information disclosure, internal system requirements for fund managers and securities companies, and so forth.

Privately Raised Funds

Pursuant to the Circular on the Division of Administrative Responsibilities for Privately Raised Equity Funds (“关于私募股权基金管理职责分工的通知”) promulgated by the State Commission Office of Public Sectors Reform (“SCOPSR”) on June 27, 2013, the CSRC is in charge of the supervision and regulation of privately raised funds, including but not limited to, privately raised equity funds, privately raised securities investment funds, venture capital funds and other forms of privately raised funds including FoFs. While the Securities Investment Fund Law promulgated by SCNPC mainly regulates the activities of publicly raised securities investment funds, it provides some basic guidance to participants in the business of privately raised securities investment funds. The Securities Investment Fund Law requires that, without registration, no individual or institution may conduct securities investment activities under the names of “funds” or “fund management.” Later, on June 30, 2014, the CSRC promulgated the Interim Measures for the Supervision and Administration of Privately Raised Investment Funds (“私募投资基金监督管理暂行办法”), hereinafter referred to as the “Interim Measures for Privately Raised Funds,” effective on August 21, 2014. The Interim Measures for Privately Raised Funds sets forth specific guidelines as to how privately raised fund products shall be managed and distributed by fund managers and fund distributors, requiring the market participants to establish certain measures in evaluating and disclosing risks related to the fund managed and/or distributed and further clarifying the self-disciplinary requirements for privately raised funds. In particular, the Interim Measures for Privately Raised Funds provides that once the fund-raising process of privately raised funds is completed, a fund manager is required to file the relevant information of the fund product with the AMAC. Specifically, pursuant to the Administrative Measures for Disclosure of Privately Raised Investment Fund Information adopted by the AMAC, the fund manager needs to submit such information through the online “Asset Management Business Electronic Registration System” of the AMAC (“the System”). During the process of filling out the form of “Information on Fund Sales” on the System, the fund manager has to identify its sales model as either under direct sales or distribution on a commission basis, and select the name of the fund distributors, either the fund manager itself or a licensed independent fund distributor who has been recognized by the CSRC and the AMAC, from the drop-down list on the form. The fund manager is required to provide an update on any changes in such information in a timely manner. Pursuant to the Circular on Strengthening the Self-Discipline Management of Privately Raised Funds Information Disclosure (“关于加强私募基金信息披露自律管理相关事项的通知”) by the AMAC on September 30, 2018, if a fund manager fails to provide a requisite update on any changes in such information on two separate occasions, it will be included in the list of abnormal institutions and will be suspended from filing new fund products with the Asset Management Association of China.

Unlike the distribution of publicly raised funds, neither the Securities Investment Fund Law nor the Interim Measures for Privately Raised Funds requires fund distributor to obtain any license or permit before engaging in such business. Such requirement was set out in the Measures for Administration of the Distribution of Privately Raised Investment Funds (“*私募投资基金募集行为管理办法*”), hereinafter referred to as the “Measures for Privately Raised Fund Distribution”), issued by AMAC on April 15, 2016. In order to implement the relevant provisions of the Regulation on Supervision and Administration of Privately Raised Investment Fund (“*私募投资基金监督管理条例*”), the CSRS promulgated the Measures for Supervision and Administration of Privately Raised Investment Fund (Draft for Comment)(“*私募投资基金监督管理办法（征求意见稿）*”), aiming at overall amendment to the Interim Measures for Privately Raised Funds and further articulation, materialization and perfection of the relevant provisions in the Regulation on Supervision and Administration of Privately Raised Investment Fund. It has expressly provided that privately raised fund managers, privately raised fund sales institutions and their practitioners are prohibited from committing any of the acts as follows: (i) the acts under Article 20 of the Regulation on Supervision and Administration of Privately Raised Investment Fund; (ii) providing an investor with convenience to meet the requirements of qualified investors such as piecing together by several persons, borrowing or lending money, etc.; (iii) giving promotional materials and recommendations to unspecific investors, with the exception of giving promotional materials and recommendations to qualified investors through a website, an application, or any other Internet medium with procedures to determine specific investors; (iv) using “safety”, “high return”, “target rate of return”, or any other expression that may render investors unable to accurately understand the risk of a privately raised fund; (v) directly or indirectly giving investors a promise to protect the principal and return, including the protection of the principal of investments from loss, a fixed proportion of loss, and a promise of minimum return; (vi) false statement, misleading statement, or material omission in promotional and recommendation materials; (vii) giving misleading publicity and recommendations by means of credit enhancement under the guise of registration and filing, the custody of a financial institution, government funding, or third party redemption, among others; (viii) using properties of the publicly raised fund to cover the expenses in the course of fund raising; and (ix) other acts prohibited by laws, administrative regulations, and the CSRC. The shareholders, partners, actual controllers and affiliates of privately raised fund managers may not commit or commit in a disguised form any of the aforesaid acts.

However, rules relating to privately raised funds that are adopted by the AMAC, such as the Measures for Privately Raised Fund Distribution, are generally self-disciplinary rules applicable to privately raised fund managers and licensed fund distributors who have become members of the AMAC. Pursuant to the Distributor Measures, an independent fund distributor shall conduct distribution of publicly raised funds and privately raised securities investment funds. An independent fund distributor shall not engage in any other business, unless otherwise prescribed by the CSRC. Accordingly, if an independent fund distributor engages in distribution of a fund product other than a publicly raised fund or privately raised securities investment fund, it shall complete corrective action within two years from the effective date of the Distributor Measures. Within the time limit of corrective action, it shall reduce the balance of the related product in an orderly manner. When the time limit is reached, it can only provide services for the existing product.

In addition, unlike the distribution of publicly raised funds, the Securities Investment Fund Law requires that fund distributors shall only distribute privately raised fund products to qualified investors defined as investors with compatible capacities of risk identification and risk bearing, whose assets or incomes have reached certain level as required by the relevant regulations or rules and the subscription amount of the privately raised fund products is not less than the required minimum amount. The Securities Investment Fund Law also stipulates that the total number of qualified investors of a privately raised fund product shall not exceed two hundred. Further, as required by the Measures for Privately Raised Fund Distribution promulgated by the AMAC, fund distributors shall evaluate the qualifications of investors prior to the distribution of privately raised funds to ensure that only qualified investors subscribe to privately raised fund products.

Our distribution of privately raised fund products shall also comply with the Measures No.130, the Conference, other relevant provisions and self-discipline rules and shall bear legal liability for any illegal act or violation.

On June 2, 2022, the AMAC promulgated the Circular on Matters Concerning Registration/Filing of Privately Raised Fund Managers (“关于私募基金管理人登记备案工作相关事宜的通知”), hereinafter referred to as the “Registration/Filing Circular”, whereby (i) to guide regularized development of the industry, (ii) to facilitate privately raised fund managers’ and applicants’ registration/filing formalities, (iii) to update the Document List for Privately Raised Fund Managers Registration/Filing (hereinafter referred to as the “Registration Document List”), and (iv) to release the Focuses of Attention in Privately Raised Fund Filing (hereinafter referred to as the “Filing FOAs”). To ensure a smooth transition, a three-month transition period is provided for and, from September 3, 2022 onward, all applicants shall submit documents as required under the updated Registration Document List. The Filing FOAs took effect immediately.

In order to regularize privately raised investment fund investment activities, protect the legitimate rights and interests of investors, and promote healthy development of the industry, the AMAC consolidated the Privately Raised Investment Fund Filing Notice (“《私募投资基金备案须知》”), the Privately Raised Investment Fund Filing Concerns (“《私募投资基金备案关注要点》”) and other rules current then into the Privately Raised Investment Fund Filing Guidelines No.1 – Privately Raised Securities Investment Fund and the Privately Raised Investment Fund Filing Guidelines No.2 – Private Equity and Venture Capital Investment Fund (“《私募投资基金备案指引第1号——私募证券投资基金》《私募投资基金备案指引第2号——私募股权、创业投资基金》”) (hereinafter referred to as the “Filing Guidelines No.1 and No.2”), which were promulgated and effective as of September 28, 2023. The aforesaid Guidelines set out comprehensive rules on fund filing, change in filing information, fund liquidation business, and so forth. As of the implementation of the Filing Guidelines No.1 and No.2, the Privately Raised Investment Fund Filing Notice and the Privately Raised Investment Fund Concerns had been repealed and the AMAC was to handle fund filing, change in filing information and fund liquidation business of privately raised investment funds by the Filing Guidelines No.1 and No.2. After the implementation of the Filing Guidelines No.1 and No.2, privately raised investment funds who have attended to the filing formalities may carry on their fund raising, investment and operation activities by the original rules, provided however that, when attending to change in filing information formalities, the provisions of the Filing Guidelines No.1 and No.2 shall apply to the matters for which any change is sought.

The Several Provisions on Strengthening the Regulation of Privately Raised Investment Funds (“关于加强私募投资基金监管的若干规定”), which was promulgated by the CSRC on December 30, 2020 and took effect on the even date, stipulates that fund managers and fund distributors or any of their employees shall not directly or indirectly commit the following conduct when distributing a privately raised fund: (i) raising funds from an entity or individual other than a qualified investor specified in the Interim Measures for Privately Raised Funds, or providing an investor with convenience to meet the requirements of qualified investors such as piecing together by several persons, borrowing or lending money, etc.; (ii) giving promotional materials and recommendations to unspecific investors through a newspaper, a periodical, a radio station, a TV station, the Internet, or any other media outlet, or by a lecture, a report meeting, an analysis meeting, or any other means, or by a bulletin, a leaflet, a short message, an instant messaging tool, a blog, an e-mail, or any other medium, with the exception of giving promotional materials and recommendations to qualified investors through a website, an application, or any other Internet medium with procedures to determine specific investors; (iii) directly or indirectly giving investors a promise (orally, in writing, by a short message, by an instant messaging tool, or any other means) to protect the principal and return, including the protection of the principal of investments from loss, a fixed proportion of loss, and a promise of minimum return; (iv) inflating and giving one-sided publicity to a private fund, including the use of “safety”, “principal protection”, “zero risk”, “a guarantee of return”, “high return”, “secure principal”, or any other expression that may render investors unable to accurately understand the risk of a private fund and the use of rate of return, target rate of return, benchmark rate of return, or any other expression in promotional materials given to investors; (v) The investments of the private fund of which investors are informed by promotional materials are inconsistent with the investments agreed in the private fund contract; (vi) promotional and recommendation materials contain a false statement, misleading statement, or material omission, including failure to truthfully, accurately and completely disclose the transaction structure of the private fund, the main rights and obligations of each party, income distribution, fee arrangements, related-party transactions, the capital contributor and actual controller of an authorized third-party institution and the private fund manager, among others; (vii) giving misleading publicity and recommendations by means of credit enhancement under the guise of registration and filing, the custody of a financial institution, or government funding, among others; (viii) authorizing an entity or individual not qualified for fund distribution business to engage in fund-raising activities; (ix) establishing or establishing in a disguised form a branch for the purpose of engaging in fund-raising activities; or (x) other circumstances prohibited by laws, administrative regulations, and the CSRC. The aforesaid provisions also apply to managers of privately raised funds.

In terms of the management of privately raised funds, the Securities Investment Fund Law requires that any individual or institution, without registration, shall not conduct securities investment activities under the name of “funds” or “fund management.” The Interim Measures for Private Funds further requires that managers of privately raised funds of any type shall apply for registration with the AMAC, and thus subject fund managers to the self-disciplinary rules promulgated by the AMAC. The AMAC has promulgated a series of self-disciplinary rules since February 2016, regulating internal control, information disclosure and registration of privately raised fund managers, including, among others, the Guidelines for Internal Control of Privately Raised Investment Fund Managers (“私募投资基金管理人内部控制指引”), the Administrative Measures for Information Disclosure by Privately Raised Investment Funds (“私募投资基金信息披露管理办法”), and the Announcement of Several Issues in Further Regulating the Registration of Privately Raised Fund Managers (“关于进一步规范私募基金管理人登记若干事项的公告”), together with the “Administrative Measures for Privately Raised Funds”. Pursuant to the Administrative Measures for Privately Raised Funds, privately raised fund managers shall complete the filing of privately raised fund products within the prescribed time limit; they shall timely report any material changes and submit quarterly and annual reports and audited financial statements prior to the end of April each year. The Administrative Measures for Privately Raised Funds also sets out requirements for the qualifications of the management of privately raised fund management companies, and requirements for the formulation and implementation of internal control policies.

The AMAC promulgated the Guidelines on Privately Raised Securities Investment Funds Operation (“私募证券投资基金运作指引”, hereinafter referred to as the “Guidelines”) on April 30, 2024, which took effect on August 1, 2024. The Guidelines mainly address issues in fund-raising, investment, operation and other business activities of privately raised funds, encompassing provisions on: (i) threshold requirements of RMB10,000,000 for initial fund-raising of privately raised funds and of RMB5,000,000 for subsequent fund scales; (ii) requisite provisions in fund contracts on three-month or above lock-up period for investor shares; and (iii) requirements that investment in the same asset by a single privately raised securities investment fund shall not exceed 25% of the fund’s net assets and that investment in the same asset by all privately raised securities investment funds managed by the same privately raised fund manager shall not exceed 25% of such asset, and the exceptions thereto.

The AMAC promulgated the Measures on Registration and Filing of Privately Raised Investment Funds and three supporting Guidelines (“《私募投资基金登记备案办法》及3项配套指引”) on February 24, 2023, effective on May 1, 2023, and the Application Document List for Registration of Privately Raised Fund Managers (as amended in 2023) (“私募基金管理人登记申请材料清单 (2023年修订)”) on April 7, 2023 in support of the aforesaid Measures on Registration and Filing of Privately Raised Investment Funds. The aforementioned regulations further specify the requirements for the management and operation of privately raised investment funds managers and privately raised investment funds. Such List has also repealed in part the Circular on Matters Concerning Registration/Filing of Privately Raised Fund Managers (“关于私募基金管理人登记备案工作相关事宜的通知”).

On July 3, 2023, the State Council promulgated the Supervisory and Administrative Regulations for Privately Raised Investment Funds (“私募投资基金监督管理条例”), hereinafter referred to as the “Regulations for Privately Raised Funds”, effective on September 1, 2023. The main purposes of the Regulations for Privately Raised Funds include (i) to regulate business activities of Privately Raised Investment Funds (hereinafter referred to as the “Privately Raised Funds”), (ii) to protect legitimate rights and interests of investors and other stakeholders, and (iii) to facilitate normative and healthy development of the industry. The Regulations for Privately Raised Funds shall apply to investment activities as described below: (i) within the territory of the PRC, (ii) to raise fund by non-public means, (iii) to establish investment funds or, for investment purpose, to establish company or partnership by law, (iv) to manage the fund through a privately raised fund manager or general partner, and (v) to carry out investment activities for the benefit of investors. The Regulations for Privately Raised Funds encompasses provisions mainly in five respects: (i) prominent regulatory requirements on key players; (ii) all-round regulation on fund-raising activities and filing requirement; (iii) regulation on investment activities; (iv) articulated market-based exit mechanism; and (v) abundant operational and post-operational regulatory tools and intensified punishments on illegal and irregular acts. Furthermore, the Regulations for Privately Raised Funds has, in its General Provisions, expressly adopted classified regulation on venture capital funds and has set a separate chapter therefor to articulate conditions for venture capital funds in terms of scope of investment, term of investment, contractual tactics, and so forth and to reinforce coordination between venture capital fund regulatory policies and development policies. Given that the Regulations for Privately Raised Funds is promulgated by the State Council, the highest administrative authority of the PRC, it ranks at the third level in terms of effectiveness, i.e. inferior to constitution and laws passed by the National People’s Congress and the SCNPC but superior to local and departmental regulations. If any local and departmental regulations or normative documents regarding privately raised funds conflict with such Regulations for Privately Raised Funds, the Regulations for Privately Raised Funds shall prevail.

PRC Regulations Relating to Our Former Asset Management Services

The CSRC promulgated the Administrative Measures for the Privately Raised Asset Management Business of Securities and Futures Institutions (“*证券期货经营机构私募资产管理业务管理办法, 证监会令第203号*”) on January 12, 2023, which took effect on March 1, 2023. On the even date, the CSRC promulgated a supporting normative document the Administrative Provisions on Securities and Futures Institutions’ Operation of the Privately Raised Asset Management Plans (“*证券期货经营机构私募资产管理计划运作管理规定, 证监会公告第2号*”), which took effect on March 1, 2023. These documents particularly prohibit regulation circumventing acts like passageway business by asset management institutions, debt disguised as equity and so forth, aiming at preventing financial risks.

The AMAC amended and renamed the Fund Manager Filing and Registration Rules into the Securities and Futures Institutions’ Investment Management Personnel Registration and Filing Rules (“*《证券期货经营机构投资管理人员注册登记规则》*”) on November 24, 2023, effective as of the same date. By such rules, investment management personnels are defined as fund managers and investment managers (i) in publicly raised fund managers responsible for management of publicly raised funds, (ii) in securities and futures institutions responsible for management of privately raised assets, (iii) in securities and futures institutions responsible for management of annuity, pension or social security fund investment, and (iv) actually performing such duties. Such rules shall also apply mutatis mutandis to investment management personnel in fund management company’s and securities company’s subsidiaries responsible for privately raised equity investment fund management business. In addition, specific provisions have been set out on registration, change and deregistration of fund managers, registration and deregistration of investment managers, as well as daily administration of and supervision on them. Such Rules repeals all prior rules in that regard.

PRC Regulations Relating to Intellectual Property Rights

Copyrights

The PRC has enacted various laws and regulations relating to the protection of copyright. The Copyright Law of the PRC (“*著作权法*”) promulgated by SCNPC on September 7, 1990, recently amended on November 11, 2020 and effective on June 1, 2021, provides that any natural persons, legal persons or other organizations of the PRC shall enjoy copyright in their works regardless of their publication status, including, among others, works of literature, arts, natural science, social science, engineering technology and computer software and that any infringement of such copyright shall be subject to relevant legal liabilities.

The Regulations on the Protection of Computer Software (“*计算机软件保护条例*”), which was promulgated by the State Council on June 4, 1991, amended on January 30, 2013 and effective on March 1, 2013, stipulates that any natural persons, legal persons, or other organizations of the PRC shall enjoy copyright in computer software that they developed, whether published or not, and such software copyright owner may register with the software registration institution recognized by the Copyright Administration Department of the State Council. Further, the Measures for the Registration of Computer Software Copyright (“*计算机软件著作权登记办法*”), which was promulgated by the National Computer Software Copyright on February 20, 2002 with immediate effect, regulates registrations of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The Copyright Protection Center of China is designated as the software registration authority, which grants registration certificates to the computer software copyright applicants to conform with both the Regulation on the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

Trademarks

Registered trademarks are protected under the Trademark Law of the PRC (“商标法”), which was promulgated by SCNPC on August 23, 1982, recently amended on April 23, 2019 and effective on November 1, 2019; the Implementation Regulations of the Trademark Law of the PRC (“商标法实施条例”), which was promulgated by the State Council on August 3, 2002, amended on April 29, 2014 and effective on May 1, 2014. Trademarks are registered with the Trademark Office of the State Administration for Market Regulation. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of the former trademark could be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

The recent amendments to the Trademark Law of the PRC have further strengthened the protection of trademarks by: (i) restrictions of the act of hoarding trademarks and malicious rushing to register trademarks; (ii) the increasing duty of care for trademark; (iii) setting up procedures for trademark objection; (iv) strengthening judicial protection and increasing the amount of compensation for infringement.

Domain Names

The Ministry of Industry and Information Technology (the “MIIT”) promulgated the Administration Measures of Internet Domain Names (“互联网域名管理办法”), hereinafter referred to as the “Domain Name Measures”), on August 24, 2017, which took effect on November 1, 2017. China Internet Network Information Center promulgated the Implementation Rules on Registration of Domain Names (“域名注册实施细则”) on May 29, 2012 with immediate effect and the Measures for National Top Level Domain Name Disputes Resolution (“国家顶级域名争议解决办法”) on November 21, 2014, which has been repealed by the Implementation Rules on Registration of Domain Names (“国家顶级域名注册实施细则”) and Measures for National Top Level Domain Name Disputes Resolutions (“国家顶级域名争议解决办法”) on June 18, 2019. Pursuant to these laws, regulations and administrative rules, domain names registrations are processed through domain names service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

PRC Regulations Relating to Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in China is governed by the Company Law of the PRC (“公司法”), hereinafter referred to as the “Company Law”, which took effect on July 1, 2024. According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The registered capital of the company shall be paid up within five years from the date of establishment. The Company Law applies to both PRC domestic companies and foreign-invested companies. A wholly foreign-owned enterprise is regulated by the Foreign Investment Law of the People’s Republic of China (“外商投资法”), hereinafter referred to as the “Foreign Investment Law” and the Implementation Regulations for the Foreign Investment Law of the PRC (“外商投资法实施条例”). According to the laws and regulations, foreign investors may freely remit into or out of China, in Renminbi or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of China. According to these regulations, foreign-invested enterprises in the PRC may only pay dividends out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside general reserves of at least 10% of its after-tax profit, until the cumulative amount of such reserves reaches 50% of its registered capital unless the laws regarding foreign investment provide otherwise. In addition, PRC companies may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves and employee welfare and bonus funds are not distributable as cash dividends. A PRC company may not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

In September 2016, the National People's Congress Standing Committee published its decision to revise the laws relating to wholly foreign-owned enterprises and other foreign-invested enterprises. Such decision, which took effect on October 1, 2016, changes the "filing or approval" procedure for foreign investments in China such that foreign investments in business sectors not subject to special administrative measures will only be required to complete a filing instead of the existing requirements to apply for approval. The special entry management measures shall be promulgated or approved to be promulgated by the State Council. Pursuant to a circular issued by NDRC and MOFCOM on October 8, 2016, the special entry management measures shall be implemented with reference to the relevant regulations as stipulated in the Catalogue of Industries for Guiding Foreign Investment ("外商投资产业指导名录") in relation to the restricted foreign investment industries, prohibited foreign investment industries and encouraged foreign investment industries. The Provisional Administrative Measures for Filing of Establishment and Modifications of Foreign Investment Enterprises ("外商投资企业设立及变更备案管理暂行办法") has been repealed by the Measures for the Reporting of Foreign Investment Information ("外商投资信息报告办法"), hereinafter referred to as the "Measures for Reporting", promulgated by the MOFCOM and the State Administration for Market Regulation on December 30, 2019, effective on January 1, 2020. Pursuant to the Measures for Reporting, foreign investors or foreign-funded enterprises shall report investment information to MOFCOM through the enterprise registration system and the National Enterprise Credit Information Publicity System.

The Provisions on Guiding Orientation of Foreign Investment ("指导外商投资方向规定"), the 2022 revision of the Catalogue of Encouraged Industries for Foreign Investment ("鼓励外商投资产业目录 (2022年版)"), and the 2021 Special Administrative Measures for Access of Foreign Investment (the "Negative List") classify foreign investment projects into four categories: encouraged projects, permitted projects, restricted projects and prohibited projects. The purpose of these regulations is to direct foreign investment into certain prioritized sectors and restrict or prohibit investment in other sectors. The Negative List uniformly sets forth the ownership requirements, requirements for senior executives, and other special administrative measures for the access of foreign investment. Fields not on the Negative List shall be administered under the principle of equal treatment to both domestic and foreign investment.

The Foreign Investment Law was adopted at the Second Session of the 13th National People's Congress on March 15, 2019 and officially took effect on January 1, 2020. The Foreign Investment Law replaces the current laws and regulations governing the three traditional types of foreign-invested enterprises (equity joint ventures, cooperative joint ventures and wholly-foreign owned enterprises). The Implementation Regulations for the Foreign Investment Law of the PRC was promulgated by the State Council on December 26, 2019 and took effect on January 1, 2020.

PRC Regulations Relating to Foreign Exchange

The principal regulation governing foreign exchange in China is the Regulations on Foreign Exchange Control of the PRC ("外汇管理条例"), which was most recently amended on August 5, 2008. Payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can usually be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate PRC authorities or banks authorized by appropriate PRC authorities is required where RMB capital is to be converted into foreign currency and remitted out of China to pay capital expenses, such as direct equity investments, loans and repatriation of investment. Unless otherwise being approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

Since 2012, the SAFE has promulgated several circulars to substantially amend and simplify the current foreign exchange procedure. Pursuant to these circulars, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB proceeds by foreign investors in the PRC and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of the SAFE. In addition, domestic companies are no longer limited to extend cross-border loans to their offshore subsidiaries but are also allowed to provide loans to their offshore parents and affiliates and multiple capital accounts for the same entity may be opened in different provinces. The SAFE also promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration for Domestic Direct Investments by Foreign Investors and the Supporting Documents ("关于印发《外国投资者境内直接投资外汇管理规定》及配套文件的通知") on May 10, 2013, which specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by the SAFE and its branches. In February 2015, the SAFE promulgated the SAFE Circular 13("国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知"), which took effect on June 1, 2015. The SAFE Circular 13 delegates the power to enforce the foreign exchange registration in connection with inbound and outbound direct investments under relevant SAFE rules from local branches of the SAFE to banks, thereby further simplifying the foreign exchange registration procedures for inbound and outbound direct investments.

he SAFE promulgated the Circular on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (“关于改革外商投资企业外汇资本金结汇管理方式的通知”), hereinafter referred to as the “Circular 19”, effective on June 1, 2015, in replacement of the SAFE Circular 142 (the Circular on Improving Business Operating Issues Concerning the Administration of Foreign Exchange Payment and Settlement of Capital of Foreign-Invested Enterprises) (“关于完善外商投资企业外汇资本金支付结汇管理有关业务操作问题的通知”). According to Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans or the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third-party. Although Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether the SAFE will permit such capital to be used for equity investments in the PRC in actual practice. The SAFE promulgated the Circular on Reforming and Regulating the Foreign Exchange Settlement Management Policy of Capital Account (“关于改革和规范资本项目结汇管理政策的通知”), hereinafter referred to as the “Circular 16”, effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of the Circular 19 or Circular 16 could result in administrative penalties, which was amended by SAFE Circular on Further Deepening Reform and Facilitating Cross-border Trade and Investment (“国家外汇管理局关于进一步深化改革促进跨境贸易投资便利化的通知”), effective on December 4, 2023.

On January 26, 2017, the SAFE promulgated the Circular on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Administration Reform (“关于进一步推进外汇管理改革完善真实合规性审核的通知”), hereinafter referred to as the “SAFE Circular 3”, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years’ losses before remitting the profits. Moreover, pursuant to the SAFE Circular 3, domestic entities shall make detailed explanations on the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

The SAFE promulgated the Circular on Further Facilitating Cross-border Trade and Investment (“关于进一步促进跨境贸易投资便利化的通知”), hereinafter referred to as the “Circular 28”, which took effect on October 23, 2019. According to the Circular 28, non-investing foreign-invested enterprises can use their capital funds to make domestic equity investments when the following conditions are met: (i) they shall not violate the current special management measures for access of foreign investment (the Negative List); and (ii) the domestic investment projects are true and in compliance with PRC laws and regulations. To be compliant, their capital funds shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks’ principal-secured products unless otherwise permitted by relevant laws and regulations; (iii) granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) payment for the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises). The funds raised under the VIE structure can only be used in the business activities of domestic operating entities after the settlement of foreign exchange is made under the above conditions.

On December 4, 2023, the SAFE promulgated the Circular on Further Deepening Reform and Promoting Cross-border Trade and Investment Convenience (“《关于进一步深化改革促进跨境贸易投资便利化的通知》”), effective on the same date (with Item 7 under such Circular to take effect on June 3, 2024). Such Circular sets out provisions on requirements and measures concerning advancing facilitation in foreign exchange receipts and payments, expanding capital account facilitation policy, optimizing capital account foreign exchange administration, and so forth.

On September 28, 2023, the MOFCOM promulgated the Circular of General Office of Ministry of Commerce on Carrying on Building the Overseas Enterprise and Outbound Investment Liaison and Service Platform (“《商务部办公厅关于继续做好境外企业和对外投资联络服务平台相关工作的通知》”) and carried out renovation and upgrading of such platform by adding to its unified service system platform an application “Overseas Enterprise and Outbound Investment Liaison and Service Platform” to release on a regular basis overseas public sentiment and risk information, reports on public sentiment and risk information, key country risk monitoring, and so forth and to provide strong support to enterprises engaging in overseas investment and advancing international cooperation and exchange.

On April 3, 2024, the SAFE promulgated the Guidance on Foreign Exchange Business under the Capital Account (2024)(“《资本项目外汇业务指引 (2024年版)》”) to (i) further breakdown and articulate some principles in handling business, (ii) incorporate provisions of the latest laws and regulations and foreign exchange administrative licensing policies, (iii) update certain provisions, (iv) add provisions on cross-border financing facilitation in foreign debt contract registration and on capital account digitalization business, and (v) increase operability of capital account business. Such Guidance repealed upon its effectiveness the Guidance on Foreign Exchange Business under the Capital Account (2020)(“《资本项目外汇业务指引 (2020年版)》”).

PRC Regulations Relating to Foreign Debt

We are an offshore holding company conducting operations in China through our PRC subsidiaries and the VIE and its subsidiaries, which are consolidated into our financial statements. As an offshore holding company, we may make additional capital contributions to our PRC subsidiaries subject to approval from the local department of commerce and the SAFE regulations concerning foreign exchange as discussed in “PRC Regulations Relating to Foreign Exchange,” with no limitation on the amount of capital contributions. We may also make loans to the WFOEs and the VIEs subject to the approval from SAFE or its local office and the limitation on amount of loans.

By means of making loans, our PRC subsidiaries and the VIE are subject to the relevant PRC laws and regulations relating to foreign debts. On January 8, 2003, the NDRC, SAFE and Ministry of Finance jointly promulgated the Circular on the Interim Administrative Measures for Foreign Debts (“外债管理暂行办法”), hereinafter referred to as the “Foreign Debts Administrative Measures,” which took effect on March 1, 2003, and partially repealed on May 10, 2015. Pursuant to the Foreign Debts Administrative Measures, the total amount of foreign loans received by a foreign-invested company shall not exceed the surplus between the total investment in projects as approved by the MOFCOM or its local counterpart and the amount of registered capital of such foreign-invested company. In addition, on January 12, 2017, the People’s Bank of China (the “PBOC”) promulgated the Circular on Matters Concerning Macro-Prudential Administration of Cross-Border Financing in General (“关于全口径跨境融资宏观审慎管理有关事宜的通知”), hereinafter referred to as the “PBOC Circular 9”, which sets out the statutory upper limit on the foreign debts for PRC non-financial entities, including both foreign-invested companies and domestic-invested companies. Pursuant to the PBOC Circular 9, the foreign debt upper limit for both foreign-invested companies and domestic-invested companies is calculated as twice the amount of the net asset of such companies. As to net assets, the companies shall take the net assets value stated in their latest audited financial statement.

On January 5, 2023, the NDRC promulgated Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises (“企业中长期外债审核登记管理办法”), hereinafter referred to as the “Medium and Long-term Foreign Debts Measures”, which took effect on February 10, 2023. The Medium and Long-term Foreign Debts Measures was enacted principally to facilitate the orderly development of overseas financing by domestic enterprises, to promote the utilization efficiency of the Medium and Long-term Foreign Debts’ proceeds, and to forestall foreign debt risks effectively. The “Medium and Long-term Foreign Debts of the Enterprises” (hereinafter referred to as the “Foreign Debts”) is defined in the Medium and Long-term Foreign Debts Measures as debt instruments with terms over one year, borrowed from overseas by PRC domestic enterprises or the overseas enterprises/branches controlled by them, denominated in local or foreign currency, and with their principals to be repaid and interests to be paid as agreed. When borrowing Foreign Debts, the enterprises shall (i) complete the verification and registration procedures as required under the Measures, (ii) report and disclose relevant information, (iii) optimize use of foreign debts funds, (iv) manage risks properly, and (v) be cooperative in supervisions and inspections. The Measures also stresses that the proceeds raised as Foreign Debts shall not be used in a way threatening/damaging information and data security of China or increasing implicit debts of local governments, nor shall them be applied in making up losses, speculations or (unless by banks or other financial institutions) onward lending to others.

The PBOC Circular 9 does not supersede the Foreign Debts Administrative Measures. It provides a one-year transitional period from its promulgation date to foreign-invested companies, such as our WFOEs, which are permitted to choose their calculation method of foreign debt upper limit based on either the Foreign Debts Administrative Measures or the PBOC Circular 9. The transitional period ended on January 11, 2018. Upon its expiry, pursuant to the PBOC Circular 9, the PBOC and the SAFE shall reevaluate the calculation method for foreign-invested companies and determine what the applicable calculation method shall be. On January 7, 2021, the PBOC and the SAFE issued the Circular on Adjusting Macro-Prudential Parameters for Enterprises' Cross-Border Financing (“关于调整企业跨境融资宏观审慎调节参数的通知”), hereinafter referred to as the “Circular 5”, which sets out the macro-prudent adjustment parameters and a multiplier to decide the upper limit of outstanding cross-border financing an institution can have. The Circular 5 lowers the multiplier from 1.25 to 1. On October 25, 2022, the PBOC and SAFE jointly declared that the macro-prudential adjustment parameter for Enterprises' Cross-Border Financing was adjusted from 1 back to 1.25. On July 20, 2023, the PBOC and the SAFE jointly declared that the macro-prudential adjustment parameter for Enterprises' Cross-Boarder Financing was adjusted from 1.25 to 1.5. To further improve the comprehensive cross-border financing macro-prudential management, continue to increase the cross-border funding sources for enterprises and financial institutions, and guide them to optimize their asset-liability structure, the PBOC and SAFE have decided to increase the macro-prudential adjustment parameter for Enterprises' Cross-Boarder Financing from 1.5 to 1.75, to take effect on January 13, 2025..

PRC Regulations Relating to Dividend Distribution

The principal regulations governing the distribution of dividends by foreign holding companies include the Company Law (2024), the Foreign Investment Law (2019), and the Implementation Regulations for the Foreign Investment Law (2019). Under these regulations, wholly foreign-owned investment enterprises in China may pay dividends only out of their retained profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, wholly foreign-owned investment enterprises in China are required to allocate at least 10% of their respective retained profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends, and a wholly foreign-owned enterprise is not permitted to distribute any profits until losses from prior fiscal years have been offset.

PRC Regulations Relating to Offshore Special Purpose Companies Held by PRC Residents

The SAFE promulgated the Circular on Relevant Issues Relating to Foreign Exchange Administration for Overseas Investments and Financing and Round-trip Investments by Domestic Residents through Special Purpose Vehicles (“关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知”), hereinafter referred to as the “SAFE Circular 37” in July 2014 that requires PRC residents or entities to register with the SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

The SAFE Circular 37 was issued to replace the SAFE Circular 75 (the Circular on Relevant Issues Concerning Foreign Exchange Administration in Respect of Financing and Round-trip Investments by Domestic Residents through Overseas Special Purpose Vehicles (“关于境内居民通过境外特殊目的公司融资及返程投资外汇管理有关问题的通知”). The SAFE further enacted the Circular on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investment (“关于进一步简化和改进直接投资外汇管理政策的通知”), hereinafter referred to as the “SAFE Circular 13” effective on June 1, 2015, which allows PRC residents or entities to register with qualified banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. However, remedial registration applications made by PRC residents that previously failed to comply with the SAFE Circular 37 continue to fall under the jurisdiction of the relevant local branch of the SAFE. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. Such Circular has been repealed by the Circular of State Administration of Foreign Exchange on Repealing and Invalidating Five Regulatory Documents and Certain Provisions of Seven Regulatory Documents (“国家外汇管理局关于废止和失效5件外汇管理规范性文件及7件外汇管理规范性文件条款的通知”, which was promulgated and took effect on December 30, 2019) in part, namely: sections 1.5, 1.6, 1.10, 1.11, 1.12, 1.13, 1.14, 1.16, 1.17, 1.18 and 1.19 of the Annex (the Guideline to Foreign Exchange Operation in Relation to Direct Investment, (“直接投资外汇业务操作指引”)) to said Circular.

On November 10, 2023, the PBOC and the SAFE jointly promulgated the Regulation on Foreign Institutional Investors' Domestic Securities and Futures Investment Capital Administration (Draft for Comment)(“《境外机构投资者境内证券期货投资资金管理规定（征求意见稿）》”), amending the Regulation on Foreign Institutional Investors' Domestic Securities and Futures Investment Capital Administration(“境外机构投资者境内证券期货投资资金管理规定”) to the effect that (i) abolishing the administrative licensing requirement for QFII/RQFII to attend to capital registration with the SAFE, (ii) no longer distinguishing the RMB special deposit account for securities and derivatives transactions, (iii) no longer requiring conversion of the principal and investment return in the RMB account corresponding to the foreign currency account before remitting out, i.e. the RMB amount can be remitted out directly, and (iv) QFII/RQFII being able to handle foreign exchange spot settlement and sale and foreign exchange derivative product transactions by means of, among others, through other domestic financial institutions qualified to carry out foreign exchange settlement and sale business.

PRC Regulations Relating to Overseas Listing and Financing of Domestic Enterprises

On April 2, 2022, the CSRC promulgated the Provisions on Strengthening Confidentiality and Archives Administration in respect of Overseas Securities Issuance and Listing by Domestic Enterprises (Draft for Comments) (“关于加强境内企业境外发行证券和上市相关保密和档案管理工作的规定（征求意见稿）”), which was later amended by the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Offering and Listing of Securities by Domestic Enterprises (“关于加强境内企业境外发行证券和上市相关保密和档案管理工作的规定”) promulgated by the CSRC, the Ministry of Finance, the National Administration for Protection of State Secrets and the National Archives Administration jointly on February 24, 2023, which took effect on March 31, 2023. The Provisions aims to (i) safeguard national economic security, (ii) protect social public interest, (iii) regulate confidentiality and archive administration concerning direct or indirect overseas offering and listing of securities by domestic enterprises, and (iv) facilitate enterprises' overseas offering and listing activities in compliance with laws and regulations. The aforementioned provisions mainly comprises: (i) extending the application to enterprises listed overseas indirectly, as is consistent with the Provisional Administrative Measures for Overseas Offering and Listing of Securities by Domestic Enterprises, with the “PRC domestic enterprises” being defined to include domestic joint-stock companies offering or listing securities overseas directly and indirectly; (ii) adding procedural requirements and specifying confidentiality responsibilities of enterprises, i.e. when domestic enterprises providing or disclosing (or having provided or disclosed by the overseas listing entity) documents and materials to securities company, accounting firms, other securities service providers and overseas regulators, confidentiality laws and regulations shall be abided by; when domestic enterprises providing documents and materials to relevant securities companies and securities service providers, written explanation on details of sensitive information shall be provided and the securities companies and securities service providers shall keep such written explanation in proper custody for inspection; (iii) specifying accounting archive administration requirements, i.e. when domestic enterprises providing accounting archives or copies thereof to relevant securities companies, securities service providers, overseas regulators and other entities and individuals, the procedures under the relevant provisions of the State shall be followed; and (iv) specifying that, when overseas securities regulators and other competent authorities intend to investigate or collect evidence from the domestic enterprises and their domestic securities companies and securities service providers with respect to such domestic enterprises' offering and listing of securities overseas and related activities, such investigation or evidence collection shall proceed under cross-border regulatory cooperation mechanisms; the CSRC and other competent authorities are to provide necessary assistance under bilateral or multilateral cooperation mechanisms as well as system guarantee for safe and efficient cross-border regulatory cooperation.

On December 24, 2021, the CSRC promulgated the Administrative Provisions of the State Council on Overseas Offering and Listing of Securities by Domestic Enterprises (Draft for Comments) (“国务院关于境内企业境外发行证券和上市的管理规定（草案征求意见稿）”) and the Administrative Measures for Filing by Domestic Enterprises of Overseas Securities Issuance and Listing (Draft for Comments) (“境内企业境外发行证券和上市备案管理办法（征求意见稿）”), both of which have been integrated into the Provisional Administrative Measures on Overseas Offering and Listing of Securities by Domestic Enterprises (“境内企业境外发行证券和上市管理试行办法”) promulgated on February 17, 2023, which took effect on March 31, 2023. Thereafter, the CSRC promulgated seven Guidelines for Application of Regulatory Rules on Overseas Offering and Listing (“七项监管规则适用指引”) with immediate effect, hereinafter collectively referred to as the “Administrative Measures and Supporting Guidelines on Overseas Offering and Listing”. The Administrative Measures and Supporting Guidelines on Overseas Offering and Listing are mainly to (i) regulate domestic enterprises’ activities of overseas securities offering and listing, and (ii) facilitate domestic enterprises’ healthy development by utilizing overseas capital markets in compliance with laws and regulations. The Administrative Measures and Supporting Guidelines on Overseas Offering and Listing mainly comprise: (i) implementing unified filing requirements for direct and indirect securities offering and listing by domestic enterprises; specifying overseas securities offering and listing by domestic enterprises governed by these Administrative Measures; setting up a negative list administration mechanism; setting no extra thresholds and conditions for overseas listing other than those express negative conditions such as prohibition by law, possibility to endanger national security, the enterprise or its controlling shareholder (actual controller) being involved in crime material breach of law or material irregularity, shareholding of controlling shareholder (or the shareholder controlled by controlling shareholder or actual controller) under material title dispute, and so forth; (ii) specifying filing requirements, including the subject, timing and procedure of filing; (iii) reinforcing regulatory concertation by establishing overseas offering and listing of securities regulatory concertation mechanism, improving cross-border securities regulatory cooperation arrangements, and establishing filing information notification and other mechanisms; (iv) specifying legal liabilities for failure to comply with the filing requirements, false filing materials and other illegal or irregular acts and raising the costs of illegal or irregular acts; and (v) increasing systemic flexibility, i.e. relaxing circumstance specific restrictions (such as those under the circumstances of stock option incentive and shares issued to purchase assets) on persons receiving shares issued in the event of direct offering and listing overseas, relaxing currency restrictions to allow fund raising and dividend distribution in RMB; further facilitating “full circulation” by allowing holders of domestic non-listed shares in domestic enterprises directly listed overseas to, upon registration, convert such shares into overseas floating shares.

In tandem with promulgation of the aforesaid new rules, heads of competent authorities addressed issues of extensive concern. As per the relevant CSRC Answers to Reporter Questions on the official website of the CSRC (“境内企业境外发行证券和上市管理试行办法-答记者问”), hereinafter referred as to the “Answers to Reporter Questions”, enterprises having completed the overseas listing prior to the date on which the Administrative Measures and Supporting Guidelines on Overseas Offering and Listing took effect are existing enterprises. The existing enterprises are not required to make immediate filing thus far; however, they shall comply with the filing requirements with the CSRC as required in the event of subsequent re-financing or other matters requiring filing. Furthermore, the Answers to Reporter Questions expressed that the CSRC will, upon consulting with other competent authorities, accept the filing to those enterprises with VIE structure and meeting regulatory requirements.

PRC Regulations Relating to Share Incentive Plan

On February 15, 2012, the SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Administration in Respect of Domestic Residents Participating in Share Incentive Plans of Offshore Listed Companies (“关于境内个人参与境外上市公司股权激励计划外汇管理有关问题的通知”), hereinafter referred to as the “Offshore Share Incentive Plan Rules”, replacing the previous rules issued by the SAFE in March 2007. Under the Offshore Share Incentive Plan Rules and other relevant rules and regulations, PRC residents who participate in a share incentive plan in an overseas listed company are required to register with the SAFE or its local branches and complete certain other procedures. Participants of a share incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiaries of the overseas listed company or another qualified institution selected by the PRC subsidiaries, to conduct the SAFE registration and other procedures with respect to the share incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the share incentive plan if there is any material change to the share incentive plan, the PRC agent or the overseas entrusted institution or other material changes. The PRC agents must, on behalf of the PRC residents who have the right to exercise the employee share options, apply to the SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents’ exercise of the employee share options. The foreign exchange proceeds received by PRC residents from the sale of shares under the share incentive plans granted and dividends distributed by overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents. In addition, the SAFE Circular 37 provides that PRC residents who participate in a share incentive plan of an overseas unlisted special purpose company must register with the SAFE or its local branches before exercising such rights.

PRC Regulations Relating to Tax

Enterprise Income Tax

Under the People's Republic of China Enterprise Income Tax Law (“**企业所得税法**”), hereinafter referred to as the “Enterprise Income Tax Law”, which was promulgated on March 16, 2007, took effect on January 1, 2008, and was last amended on December 29, 2018 and the Implementation Regulations of the Enterprises Income Tax Law (“**企业所得税法实施条例**”), which was promulgated by the State Council on December 6, 2007, took effect on January 1, 2008, and was last amended on April 23, 2019 (hereinafter collectively referred to as the “EIT Laws”), enterprises are categorized into resident enterprises and non-resident enterprises. Enterprises established inside the PRC and those established outside but with “de facto management bodies” within the PRC are considered as “resident enterprises” for EIT laws purposes and are generally subject to a uniform 25% enterprise income tax rate on its worldwide income. In 2009, the State Administrative of Taxation (the “SAT”) promulgated the Circular on Issues concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of De Facto Management Bodies (“**关于境外注册中资控股企业依据实际管理机构标准认定为居民企业有关问题的通知**”), hereinafter referred to as the “SAT Circular 82”, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise incorporated offshore is located in China, but Article 7, paragraph 1 has been repealed by the Decision on Promulgation of the Catalogues of Repealed Departmental Rules and Regulatory Documents of Tax Authorities (“**关于公布失效废止的税务部门规章和税收规范性文件目录的决定**”), hereinafter referred to as the “Order No. 42 of the State Administration of Taxation”, dated December 29, 2017. Further to the SAT Circular 82, in 2011, the SAT promulgated the Administrative Measures for Enterprise Income Tax on Chinese-Controlled Enterprises Registered Overseas (Provisional) (“**境外注册中资控股居民企业所得税管理办法（试行）**”), hereinafter referred to as the “SAT Bulletin 45”), to provide more guidance on the implementation of the SAT Circular 82. SAT Bulletin 45 was amended by Announcement on Amending Administrative Measures for Assessment and Collection of Enterprise Income Tax on Non-Resident Enterprises and Other Documents (“**关于修改《非居民企业所得税核定征收管理办法》等文件的公告**”), hereinafter referred to as the “SAT Bulletin 22”), dated April 17, 2015 and effective on June 1, 2015.

According to the SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or enterprise group will be considered a PRC resident enterprise by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions are met: (a) the senior management and core management departments in charge of its daily operation functions have their presence mainly in the PRC; (b) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board of directors and shareholders’ meetings are located or kept in the PRC; and (d) more than half of the enterprise’s directors or senior management with voting rights habitually reside in the PRC. Although the SAT Circular 82 and the SAT Bulletin 45 only apply to offshore-incorporated enterprises controlled by PRC enterprises or PRC enterprise groups but not to those controlled by PRC individuals or foreigners, the determination criteria set forth therein may reflect the SAT’s general position on how the term “de facto management body” will be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners. A PRC resident enterprise would have to pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders.

Pursuant to the Circular on Strengthening Administration of Enterprise Income Tax on Proceeds from Transfer of Non-Resident Enterprise Equity Interest (“**关于加强非居民企业股权转让所得企业所得税管理的通知**”), hereinafter referred to as the “SAT Circular 698”), promulgated by the SAT in 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise investor transfers its equity interests in a PRC resident enterprise indirectly through disposition of the equity interests of an overseas holding company (an “Indirect Transfer”) and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-resident enterprise transferor shall report to the competent tax authority of the PRC resident enterprise such Indirect Transfer.

In February 2015, the SAT promulgated an Announcement on Certain Enterprise Income Tax Matters Regarding Indirect Transfer of Properties between Non-resident Enterprises (“关于非居民企业间接转让财产企业所得税若干问题的公告”), hereinafter referred to as “the SAT Circular 7”, which supersedes the rules with respect to the Indirect Transfer under the SAT Circular 698, but does not touch upon other provisions of the SAT Circular 698, which remain in force. The SAT Circular 7 extends its tax jurisdiction to not only Indirect Transfers set forth under the SAT Circular 698 but also transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, the SAT Circular 7 provides clearer criteria than the SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and sale and purchase of equity interest through an open stock market. The SAT Circular 7 also brings challenges to both foreign transferors and transferees (or other person obligated to pay tax for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests in an overseas holding company, i.e., an Indirect Transfer, the non-resident enterprise as either transferor or transferee or the PRC entity that directly owns the taxable assets shall report such Indirect Transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferor/transferee or other person obligated to pay tax for the transfer is obligated to withhold the applicable taxes at a rate of 10% for the proceeds from transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee shall be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

In October 2017, the SAT promulgated an Announcement on Issues Relating to Withholding at Source of Income Tax Payable by Non-resident Enterprises (“关于非居民企业所得税源泉扣缴有关问题的公告”), hereinafter referred to as the “SAT Circular 37”, which took effect on December 2017 and was amended by the Announcement on Amending Certain Taxation Regulatory Documents (“关于修改部分税收规范性文件公告”) on June 15, 2018. The SAT Circular 37 repealed the SAT Circular 698 and amended certain provisions. According to the SAT Circular 37, where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the Enterprise Income Tax, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority. However, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, such enterprise shall be deemed as having paid the tax in time.

On December 6, 2024, the State Council promulgated the State Council Decision on Amending and Repealing Certain Administrative Regulations (“国务院关于修改和废止部分行政法规的决定”), whereby the Implementation Rules on the Enterprise Income Tax Law of the People’s Republic of China was amended for the second time, effective as of January 20, 2025. Such amendment has: (i) changed the term “science and technology” under Section 93.2 of the original Implementation Rules into “industry and information technology, science and technology”, and (ii) expressly provided that recognition of high-tech enterprises shall be subject to collaborative management of industry and technology, science and technology, financial, taxation and other departments, so as to improve transparency and efficiency

Value-Added Tax

In November 2011, the Ministry of Finance and the SAT promulgated the Pilot Plan on Switching from Business Tax to Value-Added Tax (“营业税改征增值税试点方案”), hereinafter referred to as the “Pilot Plan”. In March 2016, the Ministry of Finance and the SAT further promulgated the Circular on Fully Promoting the Pilot Plan on Switching from Business Tax to Value-Added Tax (“关于全面推开营业税改征增值税试点的通知”), which took effect on May 1, 2016. On November 19, 2017, the State Council revised the People’s Republic of China Interim Regulation on Value-Added Tax (“增值税暂行条例”), hereinafter referred to as the “2017 Revision”. On March 20, 2019, the Ministry of Finance, the SAT and the General Administration of Customs promulgated the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (“关于深化增值税改革有关政策的公告”), hereinafter referred to as the “Deepening Reform Announcement”, which took effect on April 1, 2019.

Pursuant to the Pilot Plan and relevant circulars, VAT is generally imposed nationwide on the modern service industries. VAT at a rate of 6% applies to revenue derived from the provision of some modern services. Unlike business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the modern services provided.

Pursuant to the Deepening Reform Announcement, the tax rate of 16% applicable to the VAT taxable sale or import of goods by a general VAT taxpayer (the “taxpayer”) shall be adjusted to 13%; and the tax rate of 10% applicable to the VAT taxable sale or import of goods by a taxpayer shall be adjusted to 9%, for the purpose of advancing substantial cuts in VAT.

On December 25, 2024, the Standing Committee of the National People’s Congress promulgated the Value-added Tax Law of the People’s Republic of China (“*中华人民共和国增值税法*”) by Order of the President of the People’s Republic of China No.41. The Law is to take effect on January 1, 2026 and the Interim Value-added Tax Regulation of the People’s Republic of China is to be repealed in the meantime. Entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets, or real estate (hereinafter “taxable transactions”) within the territory of the People’s Republic of China (hereinafter “within China”), or in the importation of goods, shall be considered VAT taxpayers and shall pay VAT in accordance with the Law. The Law has (i) categorized taxable transactions, deemed taxable transactions and non-taxable transactions, (ii) prescribed different VAT rates (not exceeding 13%) for various transactions, (iii) expressly provided for tax payable, tax preferences, collection and administration, among other things, and (iv) provided for taxpayers’ obligation to issue and use VAT invoices in accordance with the law. VAT invoices include paper invoices and electronic invoices. Electronic invoices carry the same legal force as paper invoices. The State actively promotes the use of electronic invoices. Taxpayers, withholding agents, as well as tax authorities and their staff members who are found in violation of this Law shall be held legally liable in accordance with the Law of the People’s Republic of China on the Administration of Tax Collection, and relevant laws and administrative regulations.

Stamp Duty

On August 6, 1988, the People’s Republic of China Interim Regulations on Stamp Duty (“*印花税暂行条例*”), hereinafter referred to as the “Stamp Duty Regulations”), was promulgated by the State Council of China and amended on January 8, 2011. The Stamp Duty Regulations stipulate that entities and individuals should pay stamp duty when writing or receiving contracts and transferring documents. The Stamp Duty Regulations also stipulate that entities and individuals should pay stamp tax on business account books and rights, licenses and other taxable documents in China.

The People’s Republic of China Stamp Duty Law (“*印花税法*”), hereinafter referred to as the “Stamp Duty Law”), was promulgated by the SCNPC on June 10, 2021 and took effect on July 1, 2022. The Stamp Duty Law applies to the taxes collected for various certificates that are registered in transactions in China. According to this law, entities and individuals that issue taxable vouchers or conduct securities transactions within China are taxpayers of stamp duty. Taxpayers shall calculate the amount of tax payable in accordance with the nature of the taxable documents, and the tax rates vary from 0.005% to 0.1%.

On April 14, 2008, the PRC Ministry of Science and Technology, the Ministry of Finance and the SAT enacted the Administrative Measures for Accreditation of High and New Technology Enterprises (“高新技术企业认定管理办法”), hereinafter referred to as the “Measures for High-Tech Enterprises”, which was amended on January 29, 2016 and retroactively effective from January 1, 2016. Under the EIT Law and the Measures for High-Tech Enterprises, certain qualified high-tech companies may benefit from a preferential tax rate of 15% if they own core intellectual properties and their business fall into certain industries that are strongly supported by the PRC government and recognized by certain departments of the State Council. On July 11, 2018, the Circular on Extension of the Loss-Covering Carryover Period for High and New Technology Enterprises and Small and Medium-Sized Technological Enterprises (“关于延长高新技术企业和科技型中小企业亏损结转年限的通知”) was enacted with retroactive effect from January 1, 2018.

Pursuant to the Circular on Enterprise Income Tax Policies for Further Encouraging the Development of Software and Integrated Circuit Industries (“关于进一步鼓励软件产业和集成电路产业发展企业所得税政策的通知”) promulgated by the Ministry of Finance and the SAT on April 20, 2012, with retroactive effect from January 1, 2011, and the Circular on Relevant Issues Concerning Preferential CIT Policies for Enterprises in Software and Integrated Circuit Industries (“关于软件和集成电路产业企业所得税优惠政策有关问题的通知”) promulgated by the Ministry of Finance, SAT, NDRC, and MIIT on May 4, 2016 with retroactive effect from January 1, 2015, qualified software companies within the territory of the PRC shall enjoy tax benefits for a term of five years starting the first year that begins generating profits prior to December 31, 2017. In particular, such qualified companies shall be exempted from the EIT for the first two years, and from the third to the fifth year until the expiry of the tax holiday, shall enjoy a reduced rate of half of the statutory EIT rate of 25%. Puyi Bohui was granted the Certification of Software Company on December 31, 2013 and was qualified for the tax benefits of software companies starting 2015. For the years of 2015 and 2016, Puyi Bohui was exempted from the EIT; for the period between January 1, 2017 and December 31, 2019, Puyi Bohui was qualified for the reduced tax rate of half of the statutory EIT rate of 25%. Upon the expiry of the term of such tax benefits, Puyi Bohui would not be able to renew or reapply for such tax benefits, unless otherwise provided by the relevant PRC laws and regulations.

The Ministry of Finance, the SAT and the NDRC jointly promulgated the Circular of Tax Policy Issues concerning Deepening Implementation of the Western Development Strategy (“关于深入实施西部大开发战略有关税收政策问题的通知”) on July 27, 2011, which took effect on July 1, 2011 and were amended on April 23, 2020. Under these regulations the enterprise income tax on an enterprise in an encouraged industry established in Western China shall be paid at a reduced rate of 15%, instead of the statutory enterprise tax rate of 25%, including foreign-invested enterprises. This incentive was first implemented in 2011 for 10 years, and has been extended to 2030. To qualify, enterprises must have 60% or more of their revenue from major businesses within the Catalogue of Encouraged Industries in Western Region. Fanhua Lianxing Insurance Sales Co., Ltd. (“Lianxing”), which is the holding vehicle of our life insurance operations, was qualified for west development taxation preference and were subject to an income tax rate of 15% as of June 30, 2025.

PRC Regulations Relating to Mergers and Acquisitions

On August 8, 2006, six PRC regulatory agencies, including the CSRC, promulgated the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (“关于外国投资者并购境内企业的规定”), hereinafter referred to as the “M&A Rules”, which took effect on September 8, 2006 and were amended on June 22, 2009. The M&A Rules, among others, requires offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC domestic enterprises or individuals to obtain approval of the CSRC prior to having their securities listed on an overseas stock exchange. On September 21, 2006, the CSRC published a Circular specifying the documents and materials required when applying for the CSRC approval.

The M&A Rules and other recently adopted regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that MOFCOM shall be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise holding a famous trademark or PRC time-honored brand.

Moreover, the Anti-Monopoly Law (“反垄断法”) promulgated by the Standing Committee of the National People’s Congress on August 30, 2007, effective as of August 1, 2008 and amended as of August 1, 2022 (hereinafter referred to as the “2022 Amendment”), requires that transactions which are deemed concentrations and involving parties with specified turnover thresholds must be cleared by MOFCOM before they can be completed. The 2022 Amendment has accentuated sanctions on violations of Anti-Monopoly Law. In addition, on February 3, 2011, the General Office of the State Council promulgated the Circular on Establishing Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (“关于建立外国投资者并购境内企业安全审查制度的通知”), hereinafter referred to as the “Circular 6”, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Further, on August 25, 2011, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (“外国投资者并购境内企业安全审查制度的规定”), hereinafter referred to as the “MOFCOM Security Review Regulations”, which took effect on September 1, 2011, to implement Circular 6. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors with “national defense and security” concerns and mergers and acquisitions by which foreign investors may acquire the “de facto control” over domestic enterprises with “national security” concerns. Under the MOFCOM Security Review Regulations, MOFCOM will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If MOFCOM decides that a specific merger or acquisition is subject to security review, it will submit it to the Inter-Ministerial Panel, an authority established under the Circular 6 led by NDRC and MOFCOM under the leadership of the State Council, to carry out the security review. The regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. There is no explicit provision or official interpretation stating that a merger or acquisition of a company engaging in marketplace lending business requires security review.

The Measures for the Security Review of Foreign Investment (“外商投资安全审查办法”), hereinafter referred to as the “Review Measures”), was issued by the National Development and Reform Commission and the MOFCOM on December 19, 2020 and took effect on January 18, 2021. The Review Measures consists of 23 articles, stipulating the applicable types of foreign investment, authority, scope, procedures, supervision and implementation of decisions, and handling violations of security review. The Review aims to further regulate and improve accuracy and transparency of review work, minimize impact on foreign investment activities, and protect the motivation and legitimate rights and interests of foreign investors.

Our PRC legal counsel, ETR Law Firm, has advised us that, based on their understanding of the current PRC laws and regulations, we currently control the operating company by virtue of Puyi Consulting’s contractual agreements with Puyi Bohui but not through either equity interest acquisition or asset acquisition under the New M&A Rule.

PRC Regulations Relating to Labor and Social Security

Pursuant to the PRC Labor Law (“劳动法”), the PRC Labor Contract Law (“劳动合同法”) and the Implementation Regulations of the Employment Contracts Law (“劳动合同法实施条例”), labor relationships between employers and employees must be established in written form. Wages may not be less than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees shall work in safe and sanitary conditions.

On December 28, 2012, the PRC Labor Contract Law was amended with effect from July 1, 2013 to impose more stringent requirements on labor dispatch. Under such law, dispatched workers are entitled to salary equal to that of full-time employees for equal work, but the number of dispatched workers that an employer hires may not exceed a certain percentage of its total number of employees as determined by the Ministry of Human Resources and Social Security. Additionally, dispatched workers are only permitted to engage in temporary, auxiliary or substitute work. According to the Interim Regulations on Labor Dispatch (“劳务派遣暂行规定”) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014 and effective from March 1, 2014, the number of dispatched workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched workers). The Interim Regulations on Labor Dispatch requires employers not in compliance with the PRC Labor Contract Law in this regard to reduce the number of its dispatched workers to below 10% of the total number of its employees prior to March 1, 2016. In addition, an employer is not permitted to hire any new dispatched worker until the number of its dispatched workers has been reduced to below 10% of the total number of its employees. On December 29, 2018, the PRC Labor Law was amended with effect on the same day. Under such amendment to the PRC Labor Law, (i) the approval procedure for employers to recruit minors is delayed; (ii) institutions assessing workers’ professional skills are no longer required to be approved but to be registered only; and (iii) the market supervision departments have got the right to revoke the business license of employers who illegally recruit minors.

Under PRC laws, rules and regulations, including the Social Insurance Law (“社会保险法”), the Interim Regulations on Collection and Payment of Social Insurance Fund (“社会保险费征缴暂行条例”) and the Regulations on the Administration of Housing Provident Funds (“住房公积金管理条例”), employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

On July 31, 2025, the Supreme People’s Court promulgated the Interpretation of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (“最高人民法院关于审理劳动争议案件适用法律问题的解释（二）”), effective on September 1, 2025, laying down express adjudicating principles for certain labor dispute issues. In particular: if an employer and an employee agree that social insurance premiums do not need to be paid, or if an employee promises the employer as much, the people’s court shall find such an agreement or promise invalid. As of the effective date, if an employer fails to pay social insurance premiums for an employee for whatever reason, it shall be found in breach of law.

PRC Regulations Relating to Cyber Security

On June 1, 2017, China enacted the People’s Republic of China Cyber Security Law (“网络安全法”), hereinafter referred to as the “Cyber Security Law”), consolidating prior legal provisions on cyber security and data privacy into an omnibus regulation, to protect cyberspace security and order. Pursuant to the Cyber Security Law, any individual or organization using the network must comply with the PRC constitution and the applicable laws, follow the public order, respect social moralities, and must not endanger cyber security or engage in activities by making use of the network that endanger the national security, honor and interests, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. The Cyber Security Law sets forth various security protection obligations for network operators, which are defined as “owners and administrators of networks and network service providers,” including, among other obligations, complying with a series of requirements of tiered cyber protection systems, verifying users’ real identities, localizing the personal information and important data gathered and produced by key information infrastructure operators during operations within the PRC, and providing assistance and support to government authorities where necessary for protecting national security and investigating crimes.

The National Standards under the Information Security Technology-Personal Information Security Specification (“信息安全技术个人信息安全规范”), hereinafter referred to as the “Standards”), was promulgated on March 6, 2020 and took effect on October 1, 2020. The Standards sets forth requirements for collection, storage, use, exchange and disclosure of data.

On April 13, 2020, the CAC and eleven other government authorities (including but not limited to the Ministry of Industry and Information Technology, the MOFCOM, the Ministry of Public Security, the National Development and Reform Commission, and the State Administration for Market Regulation) promulgated the Measures for Cyber Security Review (2020) (“网络安全审查办法”). The Measures for Cyber Security Review provides and elaborates the applicable scope, procedure and factors of cyber security review.

As the PRC government continues to focus on the supervision of cyber security, data security and protection of personal information, we could be subject to evolving laws and regulations in these regards that could affect how we collect, store, process and use data. On December 28, 2021, the CAC promulgated the Measures for Cyber Security Review (2021) (“网络安全审查办法”), hereinafter referred to as the “Measures”, which took effect on February 15, 2022 and replaced the Measures for Cyber Security Review (2020). The Measures, among others, stipulates that if an operator possesses personal information of over one million users and intends to be listed in a foreign country, it must be subject to the cyber security review by the CAC. The cyber security review, among others, will evaluate the potential risks of critical information infrastructure, core data, important data, or a large amount of personal information being influenced, controlled or maliciously used by foreign governments after the overseas listing of an operator. In addition, the Measures for Security Assessment of Cross-Border Data Transfer (“数据出境安全评估办法”) was promulgated by the CAC on July 7, 2022 and took effect on September 1, 2022, which specifies the government security review procedure for the transfer of a wide range of data out of the territory of China. The measures for the first time clarify the threshold for being treated as a massive personal information processor to be: (i) a personal information processor holding over one million users which transfers personal information out of the territory of China, or (ii) a personal information processor which transfers accumulatively personal information of more than 100,000 users out of the territory of China or accumulatively sensitive personal information of more than 10,000 users. Massive personal information processors would be required to apply for CAC’s security review of cross-border data transfer with the provincial cyberspace administration. Before personal information processors can transfer data out of the territory of China, they are required to conduct an internal risk assessment, regardless of whether they are subject to the CAC security review. On August 31, 2022, the Guidance on Security Assessment Declarations of Cross-Border Data Transfer (Version 1) (“数据出境安全评估申报指南（第一版）”) was promulgated by CAC, with immediate effectiveness on the same date, which regulates for the first time the security assessment declarations of cross-border data transfer. On January 1, 2025, the CAC promulgated the Administrative Regulations on Cyber Data Security (“网络数据安全条例（征求意见稿）”) effective immediately, which applies to the processing of personal and organizational data out of the territory of China, under the following circumstances: (i) for the purpose of providing products or services in the PRC; (ii) conducting analysis and evaluation of domestic individuals and organizations; (iii) processing of important domestic data; or (iv) other circumstances provided by laws and administrative regulations. The regulations classify data into three categories—general data, important data and core data. Data processors that transfer data collected and generated in the PRC outside of the territory of China are required to prepare a data security assessment report to the local cyberspace administration if (i) the data to be transmitted outside of the territory of China include important data, (ii) critical information technology infrastructure operators or data processors holding over one million users transfer data outside the territory of China, or (iii) other circumstances that the CAC deems necessary. Meanwhile, a data processor that transfers personal information and important data out of the territory of China shall report to the local cyberspace administration of the followings in the past calendar year: (i) the identities and contact information of all data receivers, (ii) the types, quantities and purposes of the transmitted data, (iii) the locations and periods of storage as well as the scope and method of use of the transmitted data, (iv) user complaints and the corresponding treatments related to the transmitted data, (v) violation of data security and the corresponding treatments related to the transmitted data, (vi) the re-transmission of the transmitted data, and (vii) other circumstances that the CAC deems necessary. A maximum of RMB10,000,000 would be imposed on offending data processors under the regulations.

The CSRC promulgated the Administrative Measures for Cybersecurity and Information Security in the Securities and Futures Industry (“证券业网络安全和信息安全管理办法”) on February 27, 2023, which took effect on May 1, 2023. The aforementioned Measures impose cybersecurity administration requirements for various kinds of entities in the securities and futures industry: requiring certain entities to establish comprehensive network and information protection systems and clarifying requirements on data and information system backups and regularized pressure tests. Provisions are also made on information protection mechanism and other matters.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regularizing Cross-border Data Transfer (“《促进和规范数据跨境流动规定》”), effective on the same date. The Provisions expressly set forth the conditions for exemption from declaration for cross-border data transfer security assessment, conclusion of personal information cross-border transfer standard contract, and undergoing personal information protection certification; the conditions for outbound data transfer to be declared for cross-border data transfer security assessment through local provincial cyberspace administration authority and by the Cyberspace Administration of China are set out as follows: (i) a critical information infrastructure operator is to transfer outbound personal information or important data; or (ii) a data processor other than a critical information infrastructure operator is to transfer outbound important data or (x) over 1,000,000 personal information (not including sensitive personal information), or (y) over 10,000 sensitive information in accumulation since January 1 of the current year. Where Articles 3, 4, 5 or 6 provide otherwise, such Articles shall prevail. The cross-border data transfer security assessment certification shall remain effective for three years commencing from its issuance date; within six months prior to its expiration, renewal application can be filed by law for another three-year effective period. In the event of any conflict between such the Measures for Security Assessment of Cross-Border Data Transfer promulgated on July 7, 2022 (by the Cyberspace Administration of China order 11) or the Measures for the Standard Contract for Cross-border Transfer of Personal Information promulgated on February 22, 2023 (by the Cyberspace Administration of China order 13), such Provisions shall prevail.

On January 4, 2024, the National Technical Committee 260 on Cybersecurity of Standardization Administration of China promulgated the Circular on Draft for Comment of the National Standards - Information Security Technology and Administration System Requirements (“关于国家标准<信息安全技术 信息安全管理体系要求>征求意见稿征求意见的通知”). Such National Standards encompasses ten chapters and one schedule: the first three chapters define its general factors of scope, normative reference documents, and terms and definitions; the chapters from 4 onward set out its main technical contents of organizational environment, leadership, planning, support, operation, performance appraisal and improvement; and Schedule A sets out the information security control measures required by the information security manage system under Standard GB/T22081. Implementation of such standards, aims at (i) rendering the various organizations to maintain confidentiality, completeness and availability of organizational information through the application of risk management process, assisting the organizations in efficiently managing information security risks, and improving the organizations’ information security management competency; and (ii) guiding the certification bodies in their ISMS certification work and advancing certifications mutual recognition between domestic and foreign certification bodies.

On December 31, 2023, the Ministry of Finance promulgated the Guidance on Reinforcing Data Assets Management (“关于加强数据资产管理的指导意见”), aiming at regularizing and reinforcing data assets management and better facilitating digital economy development. The Guidance sets out main tasks of data assets management administration: to manage data assets by laws and regulations, to clarify rights and obligations in relation to data assets, to perfect the standards in relation to data assets, to reinforce management of data assets application, and so forth. It also articulates that, where the right-holder of public data assets is to make available to the public such data assets, security management and availability system mechanisms shall be established. It is encouraged to explore various data assets development and exploitation modes in data enrichment industries of finance, traffic, medical care, energy, industrial, telecommunication, and so forth.

On February 28, 2025, the State Administration for Market Regulation and the National Standardization Administration Committee promulgated the Cyber Security Technology AI Generated/Synthesized Content Labelling Methods (National Standard of the People’s Republic of China GB45438—2025) (“网络安全技术人工智能生成合成内容标识方法 (中华人民共和国国家标准 (GB45438—2025)”) .

On March 7, 2025, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the National Radio and Television Administration promulgated the AI Generated/Synthesized Content Labelling Measures (“人工智能生成合成内容标识办法”), effective on September 1, 2025. The Measures expressly provides that: (i) AI generated/Synthesized contents mean texts, images, audios, videos, virtual scenes and other information generated or synthesized with AI technology; (ii) ICP shall add label when generating or synthesizing such contents to ensure that users can identify them as AI generated contents; (iii) labels can be explicit or implicit: explicit labels are presented in the forms of texts, sounds, graphics and so forth and convenient for the users to perceive, while implicit labels are embedded into file data by technological means and not easy to be perceived by users; (iv) addition of explicit and implicit labels to so generated/synthesized contents are required; and (v) violation of the Measures shall be dealt with by cyberspace administration, telecommunication, public security, radio and television administration and other competent authorities in accordance with the relevant laws, regulations and departmental rules.

In line with such mandatory national standard and the Measures, the National Cyber Security Standard Technology Committee promulgated the Cyber Security Standard Practice Guideline – AI Generated/Synthesized Contents Labelling Service Provider Coding Rules (“网络安全标准实践指南——人工智能生成合成内容标识 服务提供者编码规则”) on March 14, 2025 and six cyber security standard practice guidelines on August 28, 2025, namely: the AI Generated/Synthesized Contents Labelling Methods – File Metadata Implicit Labelling For Videos, the AI Generated/Synthesized Contents Labelling Methods – File Metadata Implicit Labelling For Texts, the AI Generated/Synthesized Contents Labelling Methods – File Metadata Implicit Labelling For Images, the AI Generated/Synthesized Contents Labelling Methods – File Metadata Implicit Labelling For Audios, the AI Generated/Synthesized Contents Labelling Methods – File Metadata Implicit Labelling Safety Protection Technical Guideline and the AI Generated/Synthesized Contents Labelling Methods – Testing – Party One: Framework. The aforesaid Coding Rules and six documents have provided references to generating/synthesizing service providers and contents dissemination service providers in their AI generated/synthesized contents file metadata implicit labelling activities and generated/synthesized contents testing activities.

PRC Regulations Relating to Internet Privacy

In recent years, PRC government authorities have enacted laws and regulations on Internet use to protect personal information from any unauthorized disclosure. The Administrative Measures on Internet Information Services (“互联网信息服务管理办法”) prohibits ICP service operators from insulting or slandering a third-party or infringing upon the lawful rights and interests of a third-party. Under the Several Provisions on Regulating the Market Order of Internet Information Services (“规范互联网信息服务市场秩序若干规定”) promulgated by the MIIT in 2011, an ICP service operator may not collect any user’s personal information or provide any such information to third-parties without the consent of the user. An ICP service operator must expressly inform the users of the method, content and purpose of the collection and processing of such user’s personal information and may only collect such information necessary for the provision of its services. An ICP service operator is also required to properly keep the user personal information, and in the case of any leak or likely leak of the users’ personal information, the ICP service operator must take immediate remedial measures and, in severe circumstances, to make an immediate report to the telecommunication regulatory authority. In addition, pursuant to the Decision on Strengthening Network Information Protection (“关于加强网络信息保护的決定”) promulgated by the SCNPC in December 2012 and the Regulations on Protecting Personal Information of Telecommunications and Internet Users (“电信和互联网用户个人信息保护规定”) promulgated by the MIIT in July 2013, any collection and use of users’ personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An ICP service operator must also keep such information strictly confidential and is further prohibited from divulging, tampering or destroying of any such information, or selling or providing such information to other parties. Any violation of the above decision or order may subject the ICP service operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities. Furthermore, in June 2016, the State Internet Information Office issued the Administrative Regulations on Mobile Internet Application Information Services (“移动互联网应用程序信息服务管理规定”), which took effect on August 1, 2016, to further strengthen regulation of the mobile application information services. Pursuant to these provisions, owners or operators of mobile Internet applications providing information services are required to be responsible for information security management, to establish and improve the protective mechanism for user information, to observe the principles of legality, rightfulness and necessity, and to expressly state the purpose, method and scope of, and obtain users’ consent to, the collection and use of users’ personal information. In addition, the new Cyber Security Law also requires network operators to keep users’ personal information that they have collected in strict confidentiality and to establish and improve their user information protective mechanisms. On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the General Office of the SAMR promulgated the Method for Identifying Illegal Collection and Use of Personal Information Through App (“App违法违规收集使用个人信息行为认定方法”), which provides guidance for regulatory authorities to identify the illegal collection and use of personal information through mobile apps, for app operators to conduct self-examination and self-correction, and for other participants to voluntarily monitor compliance.

Personal Information Protection Law was promulgated on August 20, 2021 with immediate effect, whereby: (i) natural persons' personal information is protected by the law; (ii) neither entities nor individuals may infringe upon natural persons' rights and interests in personal information; and (iii) the law applies to activities of processing natural persons' information within the territory of the People's Republic of China, including those for the purpose of providing products or services to domestic natural persons. Personal information means various information recorded by electronic or other means concerning identified or identifiable natural person(s), not including anonymized information. Processing of personal information includes, *inter alia*, collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. Personal information processors shall process by law the personal information collected by them and shall not perpetrate infringement on rights and interests in personal information. Where a personal information processor is required by business demand or otherwise to provide personal information to overseas, any one of the following conditions shall first be met: (i) having passed the security review organized by the National Cyberspace Administration under Article 40 of this Law; (ii) having had a personal information protection certification carried out by a profession institution as per the provisions of the National Cyberspace Administration; (iii) having executed a standard contract formulated by the National Cyberspace Administration with the overseas receiver to articulate rights and obligations of the parties; or (iv) other condition(s) prescribed by laws, administrative regulations or the National Cyberspace Administration. In the event that any international treaty(ies)/agreement(s) signed/acceded by the People's Republic of China contains provision(s) on condition(s) for providing personal information to receiver(s) overseas, such provision(s) may apply. Personal information processors shall take necessary measures to ensure that handling by the overseas receiver(s) of personal information reaches the personal information protection standards under this Law. Where the quantity of personal information processed by a personal information processor has reached the threshold prescribed by the National Cyberspace Administration, the personal information collected or generated from the territory of the People's Republic of China shall be stored within such territory. Where provision of the same to a receiver overseas is a requisite nonetheless, it shall pass the security review organized by the National Cyberspace Administration; where there is in place an exemption from such security review prescribed by laws, administrative regulations or the National Cyberspace Administration, such exemption applies. A person shall have the right to know and the right to decide over his/her personal information and shall have the right to limit/decline processing of such personal information by others; personal information processor(s) is(are) obligated to secure such rights. Personal information processors shall perform their duty of protecting personal information and shall carry out audit regularly over their compliance with laws and administrative regulations in processing personal information. Offending personal information processors may be subject to penalties of warning, confiscation of illegal gains, suspension of the app processing personal information or order for cessation of service, suspension of relevant business or cessation of business for rectification, revocation of relevant business permit or revocation of business license, a fine not exceeding RMB50,000,000 or 5% of its revenue for the previous year, and so forth; the personnel directly in-charge or other personnel with direct responsibility of the personal information processor may be subject to a fine ranging from RMB10,000 to RMB1,000,000 and a prohibition for a prescribed period to act as director, supervisor, senior executive or officer in charge of personal information protection of a personal information processing enterprise.

In September 2019, the PBOC promulgated the Circular on Issuing Financial Industry Standards and Strengthening Finance Client-side Mobile Application Software Security Administration (“关于发布金融行业标准加强移动金融客户端应用软件安全管理的通知”), hereinafter referred to as the “Financial App Circular”), and also promulgated the Financial Industry Standard Financial Client-side Mobile Application Software Security Administration Specifications (JR / T 0092-2019, “Specifications”). The Financial App Circular specifically requires financial institutions to strengthen the security management of financial apps. The Financial App Notice requires strengthening the industry's financial apps self-administration and undertaking real-name filing of client-side software. Accordingly, on December 3, 2019, the National Internet Finance Association of China (the “NIFA”) held a meeting to arrange the deployment of the pilot filing of financial institutions' client-side software.

We have reported the information of our financial service app “Puyi Fund” (普益基金) to the relevant authorities in accordance with the relevant laws, regulations and national standards on collection and use of users' personal information.

The PBOC issued the Technical Specifications for Personal Financial Information Protection (“个人金融信息保护技术规范”) on February 13, 2020, with immediate effect. This standard sets forth additional privacy and cyber security requirements on the life cycle of personal financial information collected and processed by Financial Industry Institutions. In September 2020, the PBOC promulgated the People’s Bank of China Implementation Measures for Protecting Financial Consumers’ Rights and Interests (“中国人民银行金融消费者权益保护实施办法”), hereinafter referred to as the “Financial Consumer Measures”), which took effect on November 1, 2020. Although the Financial Consumer Measures focus more broadly on consumer rights in the financial sectors, it imposes upon financial institutions privacy and cyber security obligations which in certain instances extend beyond the requirements stipulated in the Cyber Security Law.

The People’s Republic of China Data Security Law (“数据安全法”), hereinafter referred to as the “Data Security Law”), was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021. The SCNPC also promulgated the People’s Republic of China Personal Information Protection Law (“个人信息保护法”), hereinafter referred to as the “PIPL”, which took effect on November 1, 2021, imposing restrictions on entities and individuals, including those operating abroad, that collect and process personal information and sensitive information from data subjects in China. Personal information, if collected and generated in the territory of China by critical infrastructure information operators and personal information processors or the number of users having reached the threshold prescribed by the Cyberspace Administration of China, shall be stored within the territory of China. If critical infrastructure information operators and personal information processors need to transfer personal information outside of China, they are required to undergo a security assessment organized by the National Cyberspace Administration of China.

The CAC promulgated Measures for the Standard Contract for Cross-border Transfer of Personal Information (“个人信息出境标准合同办法”) on March 22, 2023, which took effect on June 1, 2023. In order to guide and support personal information processors to file the standard contract properly and orderly, the CAC promulgated the Guidelines on Filing of the Standard Contract for Cross-border Transfer of Personal Information (First Edition) (“个人信息出境标准合同备案指南（第一版）”) on May 30, 2023, with immediate effect. The aforementioned regulations expressly provide for the routes and risk prevention matters when personal information processors transferring personal information abroad. For activities of transferring personal information abroad commencing before such regulations took effect that do not comply with the aforementioned regulations, rectification shall be completed within six months after such regulations took effect.

As the state’s supervision of data security and protection of personal information continues to deepen, the legislation and law enforcement activities of information protection in the financial field are gradually being strengthened. We will pay close attention to the latest regulatory developments on consumer financial information.

On August 8, 2023, the CAC promulgated the Face Recognition Technology Application Security Management Rules (Interim) (Draft for Comment)(“《人脸识别技术应用安全管理规定（试行）（征求意见稿）》”), expressly providing for face recognition technology application security requirements: (i) the principle of “No Use Unless Necessary”, and (ii) use of face recognition technology shall be subject to knowing and voluntary consents of the individuals. It also expressly provides for protection of rights and interests in personal information and other personal and proprietary rights, maintenance of social order and public security, and so forth.

On September 12, 2023, the AMAC promulgated the first recommendatory group standards the Fund Management Company Mobile Internet Application Technical Specifications (“基金管理公司移动互联网应用程序技术规范”)(hereinafter referred to as the “Specifications”), effective on the same date. Such Specifications governs provision to users of financial business-related mobile internet applications and their back-end services by publicly raised fund management companies and provides for technical requirements in terms of software security, users’ personal information security, compatibility, performance, interaction and so forth for publicly raised fund management companies’ mobile internet applications and the management requirements in the process of software research, development, operation and maintenance.

On February 12, 2025, the Cyberspace Administration of China promulgated the Administrative Measures for Personal Information Protection Compliance Audits (“个人信息保护合规审计管理办法”), effective on May 1, 2025. The Measures expressly provides that (i) a personal information processor that processes the personal information of more than 10 million individuals shall carry out a personal information protection compliance audit at least once every two years; (ii) a personal information processor that processes the personal information of 1 million individuals or more shall appoint a personal information protection officer to be responsible for the processor’s personal information protection compliance audits; (iii) personal information processors that provide important internet platform services, have a large user base, and operate a complex type of business shall establish an independent body that is primarily composed of external members, to supervise personal information protection compliance audits; (iv) professional organizations shall have the capability to conduct personal information protection compliance audits and shall comply with laws and regulations; (v) the same professional organization and its affiliated entities, as well as the same compliance audit officer, shall not conduct more than three consecutive personal information protection compliance audits for the same auditee; and (vi) any violation of these Measures by a personal information processor or a professional organization shall be dealt with in accordance with the Personal Information Protection Law of the People’s Republic of China, the Regulations on Network Data Security Management, and other laws and regulations, and any such violation that constitutes a criminal offense shall be investigated for criminal liability in accordance with the law.

PRC Regulations Relating to Foreign-Related Civil Relationships

On December 28, 2023, the Supreme People’s Court promulgated the Interpretation of Several Issues concerning Application of International Treaties and International Practice in Trial of Foreign-related Civil and Commercial cases(“关于审理涉外民商事案件适用国际条约和国际惯例若干问题的解释”), effective on January 1, 2024. The interpretation has nine articles in total, articulating that (i) where the trial of a civil or commercial case involves application of two or more international treaties, the People’s Court shall determine which one to apply on the basis of their applicability clauses; (ii) where the parties to a contract invoke an international treaty that has not yet taken effect on the People’s Republic of China, the People’s Court may ascertain their rights and obligations as per the provisions of such international treaty, provided however that no mandatory provisions of the laws and administrative regulations of the People’s Republic of China is breached and that no sovereignty, security or social public interest of the People’s Republic of China is undermined; and (iii) where the parties to a foreign-related civil or commercial contract expressly select application of international practice or the parties assert rights and obligations by international practice, the People’s Court shall support it.

The People’s Republic of China Civil Procedural Law (amended in 2023 and effective as of January 1, 2024) provides for an extensive jurisdiction for the People’s Court: not only jurisdiction over non-status relation foreign-related civil litigations on the basis of place of contract conclusion, place of contract performance, place where the target matter locates, place where the seizable property locates, place of tortious act, and representative office in China, but also jurisdiction over foreign related civil litigations of other proper connection with the People’s Republic of China. Furthermore, where no jurisdiction objection has been raised and a reply or counterclaim has been instituted, the People’s Court is deemed to have jurisdiction.

On August 30, 2023, the Judicial Committee of the Supreme People’s Court promulgated the Interpretation of Several Issues concerning Application of the People’s Republic of China Foreign-related Civil Relationships Law Application Law (2nd)(“关于适用<中华人民共和国涉外民事关系法律适用法>若干问题的解释 (二)”), effective on January 1, 2024. The Explanation provides that (i) where the parties select application of a foreign law, they shall provide the same; or (ii) where the parties do not select application of a foreign law, the People’s Court shall ascertain such foreign law. The People’s Court may ascertain foreign laws by the means as follows: (i) provision by the parties; (ii) provision by the foreign central or competent authority through judicial assistance channel; (iii) provision by our embassy or consulate stationed in such foreign state at the request of the Supreme People’s Court; (iv) provision by a participant of a law ascertaining cooperation mechanism established or participated by the Supreme People’s Court; (v) provision by an expert of the International Commercial Expert Committee of the Supreme People’s Court; (vi) provision by a law ascertaining service institution or a legal expert home or abroad; and (vii) other proper means.

C. Organizational Structure

For our organizational chart, see “Item 3. Key Information—D Our Corporate Structure and Contractual Arrangements with the Consolidated VIEs and Their Respective Individual Shareholders.”

We currently conduct our insurance agency business in mainland China primarily through our wholly-owned subsidiary Fanhua Group Company and its subsidiaries. We had historically conducted our online insurance distribution and wealth management business through contractual arrangements with the consolidated VIEs until December 2024 and September 2025, respectively.

Historical Contractual Arrangements

Prior to the disposal of our wealth management segment in September 2025 and AIFU’s disposal of its online insurance distribution business in December 2024, our contractual arrangements with the consolidated VIEs were subject to risks associated with our corporate structure. Instead of direct ownership, we consolidated and received the economic benefits of the VIEs’ business operations under the U.S. GAAP until the disposal of the consolidated VIEs.

The historical VIE agreements between Puyi Consulting, Puyi Bohui and its subsidiaries and with the individual nominee shareholder consisted of (i) an exclusive technical and consulting services agreement; (ii) power of attorney; (iii) an equity interest pledge agreement; and (iv) an exclusive option agreement. These contractual arrangements enabled us to consolidate the VIEs’ operations and financial results and receive substantially all of the economic benefits from their business operations. Any reference to control or benefits that accrued to us because of the consolidated VIEs was limited to and subject to conditions we had satisfied for consolidation of the consolidated VIEs under U.S. GAAP. These contractual arrangements were terminated in connection with the disposal of the wealth management segment. The following is a summary of the contractual arrangements:

Agreements that Enabled Us to Consolidate the Operations and Financial Results of Puyi Bohui and Its Subsidiaries

Powers of Attorney. On September 6, 2018, Mr. Yu Haifeng and Ms. Yang Yuanfen, shareholders of Puyi Bohui, each executed a Power of Attorney in favor of Puyi Consulting and Puyi Bohui, pursuant to which both shareholders of Puyi Bohui irrevocably authorize and constitute Puyi Consulting as their attorney-in-fact to exercise on the shareholders’ behalf any and all rights that shareholders of Puyi Bohui have in respect of their equity interests in Puyi Bohui, including but not limited to: (i) attending shareholders’ meetings; (ii) exercising all the shareholder’s rights and shareholders’ voting rights that the shareholders are entitled to under the PRC laws and the Articles of Association of Puyi Bohui, including the sale, transfer, pledge or otherwise disposition of shares in part or in whole; and (iii) designating and appointing on behalf of the shareholders the legal representative, the executive director and/or director, supervisor, the chief executive officer and other senior executives of Puyi Bohui. Both of the Powers of Attorney came into effect on September 6, 2018. Subsequent to the execution of the Power of Attorney, Puyi Consulting duly purchased Ms. Yang Yuanfen’s 0.96% equity interest in Puyi Bohui by exercising its exclusive option on June 30, 2022, rendering her Power of Attorney void from that date. Mr. Yu Haifeng’s Power of Attorney remained effective until September 2025, when all contractual arrangements, including this Power of Attorney, were terminated in connection with the disposal of Puyi Bohui and its subsidiaries.

Equity Interest Pledge Agreement. Under the Equity Interest Pledge Agreement dated September 6, 2018, each of the shareholders of Puyi Bohui agreed to pledge all of his or her equity interest in Puyi Bohui to Puyi Consulting to guarantee the performance of Puyi Bohui's obligations under the Exclusive Technical and Consulting Services Agreement Since Puyi Consulting duly purchased Ms. Yang Yuanfen's 0.96% equity interest in Puyi Bohui by exercising its exclusive option under the Exclusive Option Agreement on June 30, 2022, this agreement became void for Ms. Yang Yuanfen while remained effective for Mr. Yu Haifeng until September 2025. Under the terms of this agreement, if Puyi Bohui or Mr. Yu Haifeng had breached its/his contractual obligations under the Exclusive Technical and Consulting Services Agreement, Puyi Consulting, as the pledgee, would have been entitled to certain rights, including but not limited to, the right to collect dividends generated from the pledged equity interest. Mr. Yu Haifeng also agreed that upon occurrence of any event of default, as set forth in the Equity Interest Pledge Agreement, Puyi Consulting would be entitled to dispose of the pledged equity interest in accordance with applicable PRC laws. Mr. Yu Haifeng agreed not to transfer, sell, pledge, dispose of or otherwise create any encumbrance on their equity interest in Puyi Bohui without prior written consent of Puyi Consulting. The pledge by Mr. Yu Haifeng came into effect on such date when the pledge of the Equity Interest contemplated herein was registered with relevant administration for industry and commerce and would remain effective until all payments due under the Exclusive Technical and Consulting Agreement had been fulfilled by Puyi Bohui or upon the transfer of equity interest under the Exclusive Option Agreement entered into among the parties to this agreement. This agreement, along with all other related contractual arrangements, was terminated in September 2025 in connection with the disposal of Puyi Bohui and its subsidiaries. Consequently, the pledge is no longer in effect and all associated obligations have been discharged.

Agreement that Allowed Us to Receive Economic Benefits from Puyi Bohui

Exclusive Technical and Consulting Services Agreement. On September 6, 2018, Puyi Consulting entered into an Exclusive Technical and Consulting Services Agreement with Puyi Bohui to enable Puyi Consulting to direct substantially all of the assets and business of Puyi Bohui and receive 100% of the net income of Puyi Bohui before Enterprise Income Tax. Under this agreement, Puyi Consulting had the exclusive right to provide Puyi Bohui with comprehensive business support, technical and consulting services and other services in relation to the principal business during the term of this agreement by utilizing its own advantages in management consulting, technology and information. The agreement also permitted Puyi Consulting or any other party designated by Puyi Consulting to enter into further technical and consulting service agreements with Puyi Bohui specify the contents, manner, personnel, and fees for the specific consulting service. This agreement came into effect on September 6, 2018. It was terminated in September 2025 in connection with the disposal of Puyi Bohui and its subsidiaries, which constituted the complete legal transfer of the equity interests and assets of Puyi Bohui. Consequently, all obligations under this agreement have been fully discharged.

Exclusive Option Agreement. Puyi Bohui and its shareholders entered into an Exclusive Option Agreement with Puyi Consulting on September 6, 2018. Under the Exclusive Option Agreement, the nominee shareholders of Puyi Bohui, Mr. Yu Haifeng, irrevocably granted Puyi Consulting (or its designee) an irrevocable and exclusive option to purchase, to the extent permitted under PRC law, once or at multiple times, at any time, part or all of his equity interests in Puyi Bohui. According to the Exclusive Option Agreement, the purchase price for any such transfer would be amounts permitted by applicable PRC Law at the time of the transfer. The Exclusive Option Agreement came into effect on September 6, 2018. The agreement, along with all rights and obligations pertaining to the remaining equity interest, was permanently terminated in September 2025 in connection with the disposal of Puyi Bohui and its subsidiaries to an unrelated third party. Consequently, the option is no longer in effect.

Exercise by Puyi Consulting of Its Exclusive Option in Respect of Ms. Yang Yuanfen's 0.96% Equity Interest in Puyi Bohui. On June 30, 2022, by exercising its exclusive option under the Exclusive Option Agreement, Puyi Consulting duly purchased Ms. Yang Yuanfen's 0.96% equity interest in Puyi Bohui and the following documents have ceased to be effective forthwith: (i) the Power of Attorney issued by Ms. Yang Yuanfen in favor of Puyi Consulting; and (ii) only with respect to Ms. Yang Yuanfen, the Equity Interest Pledge Agreement dated September 6, 2018 among Puyi Bohui, Ms. Yang Yuanfen and Puyi Consulting.

In the opinion of ETR Law Firm, our PRC legal counsel, i) the historical direct and indirect controlling equity ownership structures of our subsidiaries and our consolidated VIEs in China complied with all existing PRC laws and regulations; ii) the historical contractual arrangements among Puyi Consulting, Puyi Bohui and Mr. Yu Haifeng, governed by PRC laws or regulations were valid, binding and enforceable, and did not result in any violation of PRC laws or regulations currently in effect; and iii) the historical business operations of our PRC subsidiaries and our consolidated VIEs complied in all material respects with existing PRC laws and regulations.

Prior to December 27, 2024, due to restrictions on foreign ownership in value-added telecommunications businesses, AIFU operated its internet-based insurance distribution business in China through AIFU's Former VIEs, namely Xinbao Investment and RONS Technologies, and their subsidiaries. AIFU relied on a series of contractual arrangements among its wholly-owned PRC subsidiaries, these VIEs, and their individual nominee shareholders to control their business operations.

In December 2024, AIFU completed a share exchange transaction with BGM, transferring the beneficial ownership of Xinbao Investment and RONS Technologies to BGM in exchange for BGM shares. All historical contractual arrangements with these entities were terminated upon completion of this transaction.

Because of its historical contractual arrangements with Xinbao Investment, RONS Technologies and their subsidiaries and their individual nominee shareholders, AIFU was the primary beneficiary of Xinbao Investment and RONS Technologies and their subsidiaries and AIFU consolidated their financial results into its consolidated financial statements accordingly prior to December 2024.

In the opinion of Hai Run Law Firm, AIFU's PRC legal counsel:

- both the direct and indirect controlling equity ownership structures of its subsidiaries and AIFU's Former VIEs in China did not violate the existing PRC laws and regulations;
- The historical contractual arrangements among its PRC subsidiaries, Xinbao Investment, RONS Technologies, their subsidiaries, and their individual shareholders governed by PRC law were valid, binding and enforceable, and did not result in any violation of PRC laws or regulations currently in effect; and
- the business operations of its PRC subsidiaries and former consolidated VIEs complied in all material respects with existing PRC laws and regulations.

We have been advised by our PRC legal counsel, however, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to or otherwise different from the above opinion of our PRC legal counsel and AIFU's PRC legal counsel.

It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide and whether they would be applied retroactively. If the PRC government were to find that the historical contractual agreements that established the structure for the operation of the consolidated VIEs did not comply with PRC government restrictions on foreign investment, we could be subject to severe penalties including fines, for past operations. Such a finding could also result in a requirement to restate our historical financial statements for the periods during which the VIEs were consolidated. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our Corporate Structure — If the PRC government were to find that the agreements that establish the structure for operating our businesses in China did not comply with PRC regulations, or if these regulations or the interpretations of existing regulations were to change and be applied retroactively, we could be subject to severe penalties or be forced to relinquish the historical economic benefits we derived from those operations." In addition, although these VIE agreements have been widely adopted by PRC companies, such agreements have never been tested in a court of law in China. This legal uncertainty creates a risk of retrospective regulatory action, even though the operational structures themselves have been terminated.

The VIE contractual arrangements were governed by PRC laws and provided for the resolution of disputes through arbitration in China. For additional information, see “Item 3. Key Information — D. Risk Factors — Risks Related to Our Corporate Structure — We historically relied on contractual arrangements with the consolidated VIEs and their respective individual nominee shareholders for a portion of our China operations, which may not have been as effective as ownership in directing operational activities of the consolidated VIEs and may still subject to retrospective penalties.” Such arbitration provisions have no effect on the rights of our shareholders to pursue claims against us under U.S. federal securities laws.

Periodic Reporting and Audited Financial Statements

Maase has registered its securities under the Securities Exchange Act of 1934 and has reporting obligations, including the requirement to file annual reports with the SEC. In accordance with the requirements of the Securities Exchange Act of 1934, Maase’s annual reports shall contain financial statements audited and reported on by Maase’s independent registered public accounting firm.

As a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934, as amended, prescribing the furnishing and content of proxy statements. In addition, we will not be required under the Exchange Act to file current reports with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act.

D. Property and Equipment.

Our principal executive offices are located in leased office space at 12F, Block B, Longhu Xicheng Tianjie, No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu, Sichuan Province, People’s Republic of China. This office has a gross floor area of approximately 500 square meters. Office space leased by Maase’s subsidiaries was approximately 900 square meters as of June 30, 2025. Office space leased by AIFU, including its headquarter, was approximately 35,000 square meters as of June 30, 2025.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” or in other parts in this annual report on Form 20-F. The discussion and analysis about the fiscal year ended June 30, 2024, including year-to-year comparison between the fiscal years ended June 30, 2023 and 2024, are not included in this annual report. For details of such information, see “Item 5. Operating and Financial Review and Prospects” in the our 2024 annual report.

A. Operating Results

Overview

Maase is a diversified holding company. For the fiscal year ended June 30, 2025, our operations consisted of (i) our controlling interest in AIFU, a provider of insurance distribution services, and (ii) our directly operated wealth management services business.

In January 2025, our subsidiary, AIFU, disposed of its entire ownership interest in the operating entity of its claims adjusting segment. This sale represented a strategic shift with a major effect on our operations and financial results. Accordingly, the claims adjusting segment has been presented as discontinued operations and excluded from both continuing operations and segment results for all periods presented throughout this annual report. The consolidated statements of operations for the years ended 2023 and 2024 have been restated to conform to this presentation.

Subsequent to the fiscal year-end, in September 2025, we disposed of the operating entity of our wealth management services business. The results of this segment will be presented as discontinued operations in our future financial statements.

Furthermore, in July 2025, we expanded into the health industries through the acquisition of Carve Group, which holds interests in a premium wild ginseng resource holder and a bird's nest biotech company. In October, we expanded into the smart-technology solutions space through the acquisition of Real Prospect. These acquisitions mark significant new strategic directions for the Company.

For the fiscal year ended June 30, 2025, we had two reporting segments from continuing operations: (1) insurance agency segment, which mainly consists of providing agency services for life insurance products and non-life insurance products to individual clients, and (2) wealth management service segment, under which we provide publicly-raised fund products and privately-raised fund products.

The insurance agency business, conducted through AIFU, is our largest business segment. Insurance agency segment primarily covers distribution of life insurance products and non-life insurance products to individuals and to a lesser extent commercial line of property insurance products to corporate clients. The commissions and fees we receive from the distribution of insurance products are based on a percentage of the premiums paid by the insured. Commission and fee rates generally depend on the type of insurance products, the particular insurance company and the region in which the insurance products are sold. We typically receive payment of the commissions and fees from insurance companies for insurance products on a monthly basis. Some of the fees are paid to us annually or semi-annually in the form of additional performance bonuses after we achieve specified premium volume or policy renewal goals as agreed upon between the insurance companies and us.

For claims adjusting services which were discontinued in January 2025, we were compensated primarily by insurance companies. The fees we received for our claims adjusting services depended on the types of insurance products involved. For services provided in connection with marine cargo insurance, our fees were charged primarily on an hourly basis and, in some cases, as a percentage of the amount recovered from insurance companies. For claims adjusting services related to auto insurance, individual accident insurance and health insurance, our fees were generally fixed on a per claim basis, or in some cases, on a per head basis. These fees were typically paid to us on a quarterly basis. For services provided in connection with other non-life, our fees were calculated as a percentage of the recovered amount from insurance companies plus travel expenses. We typically received payment for these fees on a semi-annual or annual basis.

For the fiscal year ended June 30, 2025, for wealth management services, we charged almost all financial product issuers distribution commissions calculated as a percentage of the amount of products distributed by us, as well as management commissions calculated based on pre-agreed contracts with the fund managers, and specifically, earn performance-based fees mainly from the issuers of certain privately raised fund products that we distributed.

Major Factors Affecting Our Results of Operations

We believe that the major factors affecting our results of operations include the following:

Our business is affected by various factors within the broader economic and regulatory landscape, both in China and in other jurisdictions where we operate. These include but are not limited to:

1. General Economic Conditions in China: The overall economic trajectory of China plays a pivotal role in shaping our operations, impacting market dynamics and consumer behavior;
2. Per Capita Disposable Income: The increase in per capita disposable income reflects evolving consumer spending patterns and influences demand for insurance and financial products;

3. Regulatory Changes: Regulatory shifts in China and other relevant jurisdictions significantly impact our business strategies, operations, and compliance requirements;

4. Industry-Wide Premium Growth: We derive our revenue primarily from commissions and fees paid by insurance companies, typically calculated as a percentage of premiums paid by our customers to the insurance companies. Accordingly, industry-wide premium growth will have a positive impact on us. Any downturn in the Chinese insurance industry, whether caused by a general slowdown of the PRC economy or otherwise, may adversely affect our financial condition and results of operations;

5. Rising Insurance Awareness and Demand: The growing awareness of insurance and increasing demand for insurance products present opportunities for expansion and innovation in our service offerings; and

6. Competitive Environment: The competitive landscape in China poses challenges and opportunities, driving us to continuously enhance our technological capabilities and service differentiation to maintain our market position and achieve sustained growth.

While our business is influenced by general factors affecting our industry, our operating results are more directly affected by the following company-specific factors:

- business mix;
- business relationship with important business partners;
- premium rate levels and commission and fee rates;
- the quality and productivity of our sales agents and financial advisors;
- successful implementation of our growth strategies;
- commission rates for individual sales agents and seed clients; and
- seasonality.

Business Mix

Our business mix has undergone significant change in the past two years. Following the acquisition of controlling interests in AIFU in December 2023, the insurance agency business became our largest source of revenue, followed by the insurance claims adjusting business and our directly-operated wealth management business. In January 2025, AIFU disposed of the entirety of its equity interest in FHISLA, the operating entity of the claims adjusting business segment and ceased offering claims adjusting services. Accordingly, the results of the claims adjusting segment are presented as discontinued operations and all prior periods have been restated.

Subsequent to the year-end, in September 2025, we disposed of our directly operated wealth management services business. The results of this segment will be presented as discontinued operations in our future financial statements. As a result, our revenue, net profit, profit margins, and other aspects of our future results of operations will be primarily affected by the success of the insurance agency segment and our new investment in the health and rare herbal medicine resources sector.

- *Insurance Agency Segment.* Our largest segment by revenue, the insurance agency segment, provides a broad range of life and health and non-life insurance products to individual customers. As revenues derived from our insurance brokerage business accounted for approximately 93.1% of our total net revenues in the fiscal year of ended June 30, 2025, those revenues were also recorded as non-life agency revenues.

Most individual life insurance policies we distribute require periodic payment of premiums, typically annually, during a pre-determined payment period, generally ranging from three to 25 years. For each of such policies that we distribute, insurance companies will pay us a first-year commission and fee based on a percentage of the first-year premiums, and subsequent commissions and fees based on smaller percentages of the renewal premiums paid by the insured throughout the renewal term of the policy. Therefore, once we distribute a life insurance policy with a periodic payment schedule, it can bring us a steady flow of commission and fee revenue throughout the renewal term as long as the insured fulfills his or her premium payment commitment and continuously renews the policy.

Because of the recurring nature of commissions derived from long term life insurance business, and the higher gross margin of our life insurance business than that of our property and casualty insurance business, we intend to continue our focus on distributing more long-term life insurance products, which we believe will have a positive impact on our revenue and gross margin in the long term.

The non-life insurance policies we distribute primarily consist of individual accident insurance, indemnity medical insurance, travel insurance, and homeowner insurance, as well as commercial property insurance, liability insurance, cargo insurance, construction and erection insurance that we offer through our insurance brokerage firm. These non-life insurance policies we distribute are typically for a one-year term, with a single premium payable at the beginning of the term. As a result, the insured has to purchase new policies through us every year. Accordingly, we receive a single commission or fee for each property and casualty policy we distribute. The gross margin derived from our non-life insurance business is typically lower than that of our life insurance business. We expect revenues from our non-life business as a percentage of our total net revenues to remain stable over the next few years.

- *Claims Adjusting Segment (Discontinued since January 2025)*. The fees we received for our claims adjusting services were calculated based on the types of insurance products involved. For services provided in connection with property and casualty insurance (other than marine cargo insurance and automobile insurance), our fees were calculated as a percentage of the recovered amount from insurance companies plus travel expenses. For services provided in connection with marine cargo insurance, our fees were charged primarily on an hourly basis and, in some cases, as a percentage of the amount recovered from insurance companies. For services provided in connection with auto insurance, individual accident insurance and health insurance, our fees were generally fixed and the amounts collected were based on the types of services provided. In some cases, our fees were charged based on the number of claims adjusters involved in providing the services. We paid our in-house claims adjusters a base salary plus a commission calculated based on a small percentage of the service fees we receive from insurance companies or the insured. This segment was disposed of in January 2025 and its results are presented as discontinued operations for all periods presented in this report.
- *Wealth Management Services Segment (discontinued since September 2025)*. The composition and level of revenues that we derived from wealth management services were affected by the type of products we distribute, as the product type determines the fee rates of one-time commissions we can receive from the wealth management products we distribute. Our products distributed under our wealth management services can be broadly categorized into (i) publicly raised fund products and (ii) privately raised securities investment fund products. A significant change in the composition of the type of funds we distribute will affect our revenue, cost of sales and gross margin.

Publicly raised fund products. Starting from 2019, we have strategically devoted significant resources to publicly raised fund products including developing and distributing portfolios of publicly raised fund products. After years of accumulation of individual clients, we strategically switched our focus to attract institutional clients by optimizing the efficiency of our core transaction system, increasing the awareness of our brand and reputation, and diversifying our product offerings. The transaction value contributed by institutional clients reached RMB229.0 billion for the fiscal year ended June 30, 2025 as compared to RMB21.5 billion for the fiscal year ended June 30, 2024.

Privately raised fund products. 7.2% of our wealth management services revenue was derived from privately raised fund products for the fiscal year ended June 30, 2025. The distribution commission fees were calculated by multiplying a pre-agreed charge rate with the amount of products distributed. For the fiscal year ended June 30, 2025, our net revenues from the privately raised fund products, decreased to RMB3.9 million (US\$0.5 million) for the fiscal year ended June 30, 2025 from RMB9.6 million for the fiscal year ended June 30, 2024. Net revenues from these products have fluctuated based on market conditions and performance-based fees. We also offer certain other services including asset management services and family office services such as trusting consulting services in order to benefit from the huge business potentials from affluent and high net worth families' demand for wealth management services. Net revenues from other services, including asset management services, were not significant for the fiscal year ended June 30, 2025. This segment was disposed of in September 2025 and its results will be presented as discontinued operations in future financial periods.

Business Relationship with Important Product Providers

We derive significant revenue from a small number of insurance company partners. For example, Sinatay accounted for 10.1% of our total net revenues for the fiscal year ended June 30, 2025. As a result, any significant changes to our business relationship with these important product providers could have a material impact on our revenue and profit.

Fee Rate Premium Rate Levels and Commission and Fee Rates

Our revenues and profitability are highly sensitive to changes in the commission and fee rates set by our insurance company partners and third-party product providers. For the distribution of insurance products, the commissions and fees we receive from insurance companies are generally calculated as a percentage of premiums paid by our customers to the insurance companies. Premium rate levels and commission and fee rates can change based on the prevailing economic conditions, competitive and regulatory landscape, interest rate environment and other factors that affect insurance companies. These other factors include the ability of insurance companies to place new business, underwriting and non-underwriting profits of insurance companies, consumer demand for insurance products, the availability of comparable products from other insurance companies at a lower cost, and the tax deductibility of commissions and fees. In general, we can negotiate for better rates as an incentive for generating a larger volume of business.

In recent years, due to the decline in the interest rate of banking products in recent years, China's insurance regulator has been implementing rules to adjust the pricing rate of life insurance products and has implemented a commission cap to the commission rate paid by insurance companies to insurance agencies and brokers like us in order to protect insurance companies from interest spread loss which has led to significant decline in our commission income and adversely affect our results of operations. If further cut in commission rates are imposed by the regulator, our results of operations could be further adversely impacted.

Similarly, in our wealth management services, prior to its disposal, we derived a majority of our revenues from distribution commissions and performance-based fees from wealth management services, and management fees and carried interest from the funds that we manage. The relative fee rates were negotiated between us and third-party product providers or the investors and vary from product to product.

The Quality and Productivity of our Sales Agents

The quality and productivity of our sales agents significantly impact our financial results. A substantial portion of our insurance sales comes from individual agents, with top performers driving the majority of sales. Recruiting and retaining these high-performing agents, especially Million-Dollar-Roundtable members, is crucial for our growth. Similarly, our financial advisors are vital for marketing our wealth management products and maintaining client relationships. Failing to retain these essential personnel could adversely affect our business. As competition for skilled sales agents intensifies, we may need to offer higher compensation, increasing our operating costs and reducing profitability. Training new agents adds to our expenses, further impacting profitability.

Despite these challenges, we aim to build a platform to enhance our sales agents' skills and productivity. This strategy requires continuous investment in personnel and systems. We expect these initiatives to drive growth, but inadequate execution could negatively affect our financial performance.

For the fiscal year ended June 30, 2025, prior to its disposal, our wealth management services utilized a seed client sales channel. The number of our seed clients was approximately 19,000 as of June 30, 2025. Approximately 99.9% of our total sales from wealth management services for that fiscal year were generated by our seed clients. Subsequent to the year-end, we disposed of our wealth management business. Accordingly, the performance of that business and its associated financial advisors and seed clients are not indicative of the Company's future operations.

Seasonality

Our quarterly results of operations are affected by seasonal variations caused by business mix, insurance companies' business practices and consumer demand. For life insurance business, much of the jumpstart sales activities of life insurance companies occur during the first quarter of a year, while business activities slow down in the fourth quarter of a year as life insurance companies focus on the preparation for the jumpstart sales season of the coming year by preparing to launch new products, making marketing plans and organizing training. During the jumpstart sales season, life insurance companies will offer incentives that are more attractive to insurance intermediaries and sales agents to boost sales. Accordingly, our commission and fee revenue derived from life insurance business is generally the highest in the first quarter of a year and the lowest in the fourth quarter of a year. For non-life insurance products, there was no obvious seasonal fluctuation.

Successful Implementation of our Growth Strategies

Our financial performance is directly affected by our execution of a refined strategic focus. During the fiscal year, we took decisive actions to sharpen our approach:

- We strengthened our core insurance distribution by continuing to develop our high-caliber insurance advisor teams and evolving our digital platform to enhance agent productivity.
- In December 2024, AIFU disposed of its online insurance distribution platform Baowang and in January 2025 it disposed of its claims adjusting business. Furthermore, it made the decision to terminate its open platform services initiative, which had not generated meaningful revenue, due to a challenging regulatory environment.
- Subsequent to the year-end, we disposed of our wealth management business based on the business's history of sustained losses over the past five years, combined with an expected decline in distribution commission revenues due to new regulatory requirements in the industry.

These exits allow management to focus entirely on our most profitable and core operations and allowed for a more efficient allocation of resources. Our ability to grow is now dependent on the successful management of this streamlined operations model. Furthermore, our recent expansion into the health and resources sector subsequent to the year-end represents a new strategic growth vector that will impact our future operating results.

Commission Rates for Individual Sales Agents

A large component of our operating costs is commissions paid to our individual sales agents. The recent regulatory caps on commission rates paid to agencies by insurance companies have increased pressure on our operating margins. While these caps reduce our revenue from insurance companies, the market competition for retaining high-performing sales agents remains intense. Consequently, we may be unable to fully offset the reduction in our commission income with corresponding decreases in agent compensation. To retain top performers, we may still need to offer competitive commission rates and incentives that are comparable to those offered by our competitors. Intensified competition for productive sales agents and rising wages in China may sustain or even increase these costs.

This dynamic creates a risk of significant margin compression. Our ability to manage this cost pressure through improved operational efficiency, increased sales volume, and strategic agent incentives is critical. Our failure to effectively balance competitive agent compensation with regulated commission income could have a material adverse effect on our profitability and results of operations.

Key Components of Results of Operations

As of June 30, 2024, we operated three segments: (1) the insurance agency segment, which mainly consisted of providing agency services for distributing life insurance products and non-life insurance products on behalf of insurance companies, (2) the claims adjusting segment, which consisted of providing pre-underwriting survey services, claims adjusting services, disposal of residual value services, loading and unloading supervision services, and consulting services and (3) the wealth management services segment, under which we provided publicly-raised fund products and privately-raised fund products. We also provided certain asset management services including FoF funds and comprehensive trust consulting services, which were included in the wealth management services segment as the revenues derived from our asset management services are insignificant. As of June 30, 2025, as a result of the divestiture of the claims adjusting business, we have two remaining operating segments and the claims adjusting segment has been categorized as a discontinued operation.

Operating segments are defined as components of an enterprise about which separate financial information is available and evaluated regularly by our chief operating decision maker in deciding how to allocate resources and in assessing performance.

Net Revenues

Our net revenues are total revenues net of VAT. For the fiscal year ended June 30, 2024 and 2025, we generated revenue of RMB963.2 million and RMB781.2 million (US\$109.1 million), respectively. We derive net revenues from the following sources:

- *Insurance agency segment*: commissions paid by insurance companies for the distribution of (i) life insurance products, and (ii) non-life products and commissions and advisory fees for (i) insurance and reinsurance brokerage services primarily paid by the insurance companies, and (ii) risk management consulting services primarily paid by the insureds, which accounted for 93.5% and 93.1% of our net revenues for fiscal year ended June 30, 2024 and 2025, respectively; and
- *Wealth management services segment*: commissions paid by wealth management product providers, which accounted for 6.5% and 6.9% of our net revenues for fiscal year ended June 30, 2024 and 2025, respectively.

The following table sets forth our total net revenues earned from each of our reporting segments, both in absolute amounts and as percentages of total net revenues, for the periods indicated:

	For the fiscal year ended June 30,						
	2023		2024		2025		US\$
	RMB	%	RMB	%	RMB	%	
	(in thousands, except for %)						
Agency	-	-	900,246	93.5	727,538	93.1	101,560
Life insurance business	-	-	827,803	85.9	625,099	80.0	87,260
Non-life insurance business	-	-	72,443	7.6	102,439	13.1	14,300
Wealth management and others	114,440	100.0	62,966	6.5	53,678	6.9	7,492
Total net revenues	114,440	100.0	963,212	100.0	781,216	100.0	109,052

Insurance Agency Segment

Insurance agency segment primarily covers distribution of life insurance products and non-life insurance products to individuals and to a lesser extent commercial line of property insurance products to corporate clients.

Net revenues generated from distribution of long-term life insurance products have become our primary source of revenue. We expect our life insurance business to grow and bring in revenue that will continue to represent a high percentage of our total net revenues in the next several years. We believe this growth will be driven by a number of factors including strong demand for traditional life insurance products as a result of the aging population and the Chinese consumers' increasing awareness of the benefits of insurance as well as improved productivity of our sales professionals as the Company focuses more resources on recruiting, retaining and training elite sales agents.

The commissions and fees we receive from the distribution of insurance products are based on a percentage of the premiums paid by the insured. Commission and fee rates generally depend on the type of insurance products, the particular insurance company and the region in which the insurance products are sold. We typically receive payment of the commissions and fees from insurance companies for insurance products on a monthly basis. Some of the fees are paid to us annually or semi-annually in the form of additional performance bonuses after we achieve specified premium volume or policy renewal goals as agreed upon between the insurance companies and us.

Wealth Management Services Segment

By revenue type, a majority of our net revenues from wealth management services were commissions paid by wealth management product providers. Upon establishment of a financial product, we charged a distribution commission fee against the issuer by multiplying a pre-agreed charge rate with the amount of products distributed through our online platform or offline sales network. We also charged recurring management fees for the management service, which are determined based on the types of financial products we distribute and calculated as either (i) pre-agreed percentage with the daily outstanding balance confirmed with the issuer, prorated daily (ii) pre-agreed charge rate with the amount of products distributed, the actual period length of the product, or (iii) as a percentage of the fair value of the total investment in the financial products, calculated daily. In addition, we receive performance-based fee income mainly for the privately raised funds we distribute. Performance-based fees were calculated based on the extent by which the fund's investment performance exceeds a certain threshold. Performance-based fees are typically calculated and recognized when the cumulative return of the fund can be determined, and is not subject to claw back provision.

By product type, wealth management services segment primarily covered distribution of publicly raised fund products and privately raised fund products, in which we had strategically devoted our resources to publicly raised fund products with focus on distributing portfolios of publicly raised fund products since 2019.

Operating Costs and Expenses

Our operating costs and expenses consist of (i) cost of sales, (ii) selling expenses, and (iii) general and administrative expenses. The following table sets forth the components of our operating costs and expenses for the period indicated.

	For the fiscal year ended June 30,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	US\$
	(in thousands, except for %)					
Cost of sales	20,285	11.7	568,278	56.8	397,359	55,469
Selling expenses	60,560	35.0	76,733	7.7	77,120	10,764
General and administrative expenses	92,399	53.3	355,252	35.5	556,780	77,724
Total operating costs and expenses	173,244	100.0	1,000,263	100.0	1,031,259	143,957

Cost of Sales

Our cost of sales primarily consisted of (i) commission costs paid to insurance sales agents for the distribution of insurance products based on certain percentage of the first year premiums and renewal premiums; (ii) commission costs paid to financial advisors based on the pre-agreed percentage and the amount of wealth management product distributions that were directly related to the contributions made by the sales agents, such as the amount of investments they have referred to the Group, and (iii) transaction fees paid to the third-party payment platforms through which the investors' purchase funds are transferred.

The following table sets forth the components of our cost of sales for the period indicated.

	For the fiscal year ended June 30,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	%	US\$
	(in thousands, except for %)						
Commission cost, salaries and service fees	11,049	54.5	564,331	99.3	394,520	99.3	55,073
Insurance Agency	-	-	551,247	97.0	391,102	98.4	54,596
<i>Life insurance</i>	-	-	<i>504,866</i>	<i>88.8</i>	<i>314,639</i>	<i>79.2</i>	<i>43,922</i>
<i>Non-life insurance</i>	-	-	<i>46,381</i>	<i>8.2</i>	<i>76,463</i>	<i>19.2</i>	<i>10,674</i>
Wealth management	11,049	54.5	13,084	2.3	3,418	0.9	477
<i>Publicly raised fund products</i>	<i>10,856</i>	<i>53.5</i>	<i>10,220</i>	<i>1.8</i>	<i>2,643</i>	<i>0.7</i>	<i>369</i>
<i>Gross-commission-based</i>							
<i>Privately raised fund products</i>	<i>193</i>	<i>1.0</i>	<i>2,864</i>	<i>0.5</i>	<i>775</i>	<i>0.2</i>	<i>108</i>
Others	9,236	45.5	3,947	0.7	2,839	0.7	396
Total cost of sales	20,285	100.0	568,278	100.0	397,359	100.0	55,469

Selling Expenses

Selling expenses primarily consist of (i) marketing and sales events expenses, (ii) training expenses; (iii) salaries and benefits of our in-house financial advisors, investment advisors and other sales and marketing employees, and (iv) rental and leasehold improvement expenses.

General and Administrative Expenses

Our general and administrative expenses principally comprise:

- salaries and benefits for our administrative staff;
- share-based compensation expenses for managerial and administrative staff;
- research and development expenses in relation to our mobile and online programs;
- professional fees paid for valuation, market research, legal and auditing services;
- bad debt expenses for doubtful receivables;
- compliance-related expenses, including expenses for professional services;
- depreciations and amortizations;

- office rental expenses;
- travel and telecommunications expenses;
- entertainment expenses;
- office supply expenses for our administrative staff; and
- foreign exchange loss.

Share-based compensation expenses

Under our 2018 Share Incentive Plan and 2024 Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance will be 16,806,720 ordinary shares (equivalent to approximately 186,742 Class A ordinary shares after the Share Consolidation) (“2018 Share Incentive Plan”) and 111,165,518 ordinary shares (equivalent to approximately 1,235,173 Class A ordinary shares after giving effect to the 1-for-90 reverse share split effected on June 20, 2025 (the “Share Consolidation”), respectively. On February 20, 2024, our board of directors approved the grant of share options to certain directors, executive officers, employees and top agents of the Company and AIFU to purchase 6,011,608 ADSs, previously representing 9,017,413 ordinary shares of the Company (equivalent to approximately 100,194 Class A ordinary shares after the Share Consolidation) (“2024 Option 1”), as a supplement of salary and benefit packages pursuant to the 2018 Share Incentive Plan. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentives”. Pursuant to the share incentive program, the exercise price of these options is US\$0.001 per ADS, equivalent to approximately US\$0.0007 per ordinary share (equivalent to US\$0.063 per post-split Class A ordinary share). The options were scheduled to vest over a one-year period starting from March 1, 2025, subject to the achievement of certain key performance indicators by the option holders and their continued service with the Company. As the required performance indicators related to 2024 Option 1 were not met during the year, the 2024 Share Option 1 were fully forfeited.

On November 19, 2024, our board of directors approved the grant of 3,000,000 restricted share units (“RSUs”) to our chairwoman Ms. Hong Suong Nguyen. Each RSU represented a right to receive one ADS with every two ADS representing three Class A ordinary shares. Giving effect to the subsequent ADR facility termination and 1-for-90 Share Consolidation, the grant was adjusted to 50,000 RSUs, with each RSU now representing the right to receive one post-consolidation Class A ordinary share. The RSUs are scheduled to vest over a three-year period beginning on the grant date, subject to her continued service with the Company.

During the first half of 2025, our board of directors granted a total of 666,704 RSUs to certain management and employees in certain management and employees in connection with the termination of their employment relationships. These RSUs, with each representing the right to receive one post-consolidation Class A ordinary share, were granted and vested immediately.

On August 12, 2022, the board of directors of AIFU adopted a share incentive plan under which it has reserved 161,143,768 of its ordinary shares for issuance (equivalent to approximately 402,860 of its Class A ordinary shares giving effect to the Reverse Share Split at a ratio of 1-for-400 on May 21, 2025), which was approximately 15% of its outstanding ordinary shares as of June 30, 2022. On February 20, 2024, the board of directors of AIFU adopted another share incentive plan under which it has reserved an additional 113,423,618 of its ordinary shares for issuance (equivalent to approximately 283,560 of its Class A ordinary shares giving effect to the Reverse Share Split), which was approximately 10% of its outstanding ordinary shares as of December 31, 2023 (“2024 Share Incentive Plan”). Under the two share incentive plans, its board of directors has approved the grant of options to purchase an aggregate of 41,718,000 ordinary shares (equivalent to approximately 104,295 of its Class A ordinary shares giving effect to the Reverse Share Split) and the grant of 640,260 restricted share units, with each restricted share unit representing one post-consolidation Class A ordinary share giving effect to AIFU’s ADR facility termination and Reverse Share Split as of June 30, 2025. See Item 6. Directors, Senior Management and Employees — B. Compensation — Share Incentives” for more information of the share incentive plans and option grants.

Accordingly, we recognized share-based compensation expenses of RMB23.3 million for the fiscal year ended June 30, 2024. The share-based compensation expenses were RMB73.1 million (US\$10.2 million) for the fiscal year ended June 30, 2025, which represented the net amount after the reversal of RMB18.6 million (US\$2.6 million) share-based compensation expenses previously recognized for the fiscal year ended June 30, 2024 primarily due to the full forfeiture of the '2024 Option 1' grant and partial forfeiture of AIFU's share options to its top agents. We expect share-based compensation expenses to be a significant component of our operating expenses in the near future.

Discussion of Key Balance Sheet Items

The following table sets forth selected information from our Consolidated Balance Sheets as of June 30, 2024 and 2025. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report.

	As of June 30,		
	2024	2025	
	RMB	RMB	US\$
	(in thousands)		
Selected Consolidated Balance Sheets Data			
ASSETS:			
Short term investments	573,903	548,101	76,512
Other receivables, net	23,376	920,212	128,457
Loan receivables, net	774,051	318,617	44,477
Other current assets	39,323	23,919	3,339
Contract assets, net of allowances	323,222	208,824	29,151
Contract assets - non-current, net of allowances	726,879	612,918	85,560
Current assets of discontinued operations	195,054	-	-
Non-current assets of discontinued operations	164,320	-	-
Total assets	4,277,878	3,365,977	469,873
LIABILITIES AND EQUITY:			
Short-term loan	98,375	82,050	11,454
Accrued commissions	148,134	99,923	13,949
Accrued commissions – non-current	408,416	339,481	47,390
Current liabilities of discontinued operations	62,980	-	-
Non-current liabilities of discontinued operations	14,576	-	-
Total liabilities	1,638,170	1,177,869	164,425
Total equity	2,593,914	2,140,173	298,757
Total liabilities, mezzanine equity and shareholders' equity	4,277,878	3,365,977	469,873

Short term investments

Short-term investments mainly consist of bank financial products, trust products and asset management plans. As compared with the balance as of June 30, 2024, short-term investments as of June 30, 2025 decreased by RMB25.8 million (US\$3.6 million), mainly due to the disposal of subsidiaries and the maturity of short-term investment products during fiscal year 2025.

Other receivables, net

As compared with the balance as of June 30, 2024, other receivables as of June 30, 2025 increased by RMB896.8 million (US\$125.2 million), which mainly represented consideration receivable from the sales of BGM's shares.

Loan receivables, net

As compared with the balance as of June 30, 2024, loan receivables, net as of June 30, 2025 decreased by RMB455.4 million, mainly due to an increase of RMB614.1 million (US\$85.7 million) in provision for expected credit loss for loan receivables to third parties, offset by an increase in additional loan to third parties and accrued interests receivable. The loan receivables mainly represented (i) terms loans to Sichuan Tianyi Real Estate Development Co., Ltd. (“Sichuan Tianyi”) amounting to RMB95.0 million (US\$13.3 million) and corresponding interest receivable RMB10.3 million (US\$1.4 million) as of June 30, 2025. The loan, bearing an interest rate of 6% per annum, is guaranteed by the ultimate controlling owner of Sichuan Tianyi, who is jointly liable. A portion of this loan receivable, amounting to RMB70.0 million (US\$9.8 million), was transferred to a third party in March 2025, with an interest rate of 3.6 to 6% per annum. As of June 30, 2025, an allowance for credit loss of RMB73.8 million (US\$10.3 million) had been recognized against this loan (ii) term-loans to an education company amounting to RMB755.3 million and corresponding interest receivable of RMB29.4 million as of June 30, 2025, with the interest rate of 5% per annum. As of June 30, 2025, an allowance for credit loss of RMB549.2 million (US\$76.7 million) had been recognized against this loan; and (iii) term-loans to a third party company amounting to RMB52.0 million (US\$7.3 million) and corresponding interest receivable of RMB0.1 million as of June 30, 2025, with an interest rate of 5% per annum. As of June 30, 2025, an allowance for credit loss of RMB0.5 million had been recognized in connection with the loan.

Other current assets

Other current assets represent prepayment to third parties and equity investments with readily determinable fair value. As compared with the balance as of June 30, 2024, other current assets as of June 30, 2025 decreased by RMB15.4 million (US\$2.1 million), mainly attributable to the divestment of the majority of the equity investment in Cheche Technology Inc. held by AIFU, which amounted to RMB13.7 million (US\$2.0 million), during the fiscal year 2025.

Contract assets, net of allowances

Contract assets consist of (i) amount derived from estimated renewal commissions and (ii) initial commissions earned in relation to policies that are still in the hesitation period as of June 30, 2025. The Company presents contract assets to be reclassified to accounts receivable within the next twelve months and after the next twelve months as current contract assets and non-current contract assets separately in the consolidated balance sheets as of June 30, 2025. As compared with the balance as of June 30, 2024, the total balance of contract assets including both current and non-current portion as of June 30, 2025 decreased by RMB228.4 million (US\$31.9 million), mainly due to the significant decrease in sales of new policies in 2025.

Short-term loan

Short-term loan represented borrowings made by the Company’s subsidiaries from financial institutions in mainland China and were due within one year. The balance of short-term loan as of June 30, 2025 decreased by RMB16.3 million (US\$2.3 million) as compared with the balance as of June 30, 2024, mainly due to decreased bank loan from a commercial bank in China in 2024 which bears an interest rate of 3.5% per annum.

Accrued commissions

Accrued commissions represented costs related to estimated renewal commissions. The Company presented estimated renewal commission costs to be paid within the next twelve months and after the next twelve months as current accrued commissions and non-current accrued commissions separately in the consolidated balance sheets as of June 30, 2025. As of June 30, 2025, the balances of current and non-current accrued commissions decreased by RMB48.2 million (US\$6.7 million) and RMB68.9 million (US\$9.6), respectively, as compared with the balances as of June 30, 2024. The decrease was mainly due to a comprehensive impact of decreased estimated renewal commission cost for new policies sold during 2024 and cumulative catch-up adjustments to estimated variable commissions accrued as a result of declining constraint percentage applied on an ongoing basis.

Taxation

Cayman Islands

Maase and our subsidiary AIFU are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, our group and our subsidiary incorporated in the Cayman Islands is not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholdings tax in the Cayman Islands. There are no other taxes likely to be material to us or holders of our ordinary shares levied by the government of the Cayman Islands, except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

British Virgin Islands

Under the current laws of the British Virgin Islands, our subsidiaries incorporated in the British Virgin Islands are not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholding tax in those jurisdictions. The exemption provided to a British Virgin Islands business company pursuant to section 242(3) of the BVI Business Companies Act from the payment of stamp duty does not apply to an instrument relating to the transfer to or by the relevant company of an interest in land situate in the British Virgin Islands or transactions in respect of the shares, debt obligations or other securities of a land-owning company. For this purpose, a company is a “land owning company” if it, or any of its subsidiaries, has an interest in any land in the British Virgin Islands.

Hong Kong

On March 21, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first 2 million Hong Kong Dollar (“HKD”) of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. Prior to acquiring AIFU, as Puyi HK was a holding company, for its fiscal years ended June 30, 2024 and 2025, it generated a net taxable loss arising or derived from Hong Kong. As such, no provision for Hong Kong profits tax were made in these two fiscal years. For the fiscal year ended June 30, 2025, Puyi HK continued to report a net taxable loss from Hong Kong sources. In parallel, the provision for current income taxes of AIFU’s subsidiaries operating in Hong Kong SAR has been calculated by applying the current rate of taxation of 8.25% for the fiscal years ended June 30, 2024 and 2025. Payment of dividends is not subject to withholding tax in Hong Kong SAR.

PRC

According to the PRC Enterprise Income Tax Law (“EIT law”), which became effective on January 1, 2008 and was subsequently amended on March 16, 2007, February 24, 2017 and December 29, 2018, as further clarified by subsequent tax regulations implementing the EIT law, foreign invested enterprises and domestic enterprises are subject to enterprise income tax, or EIT, at a uniform rate of 25%.

The Group’s PRC subsidiaries and the VIEs incorporated in PRC are subject to the PRC EIT law. Pursuant to the Circular on Issues Regarding Tax-related Preferential Policies for Further Implementation of Western Development Strategy jointly issued by the State Ministry of Finance, General Administration of Customs, China and State Administration for Taxation, enterprises located in the western China regions that fall into the encouraged industries are entitled to 15% EIT preferential tax treatment from January 1, 2011 to December 31, 2020. The preferential tax treatment is extended to December 31, 2030, pursuant to No. 23 Announcement Concerning the Extension of the EIT Policies for Enterprises Located in Western China issued by the Ministry of Finance on April 23, 2020. Accordingly, AIFU’s wholly owned subsidiary Fanhua Lianxing Insurance Sales Co., Ltd. (“Lianxing”) enjoyed 15% EIT tax rate instead of a unified 25% from September 1, 2018 to June 30, 2025, and will continuously be entitled to 15% EIT preferential tax rate upon its fulfilment of certain criteria until December 31, 2030.

Pursuant to the Circular on Inclusive Tax Relief Policies for Small Low-Profit Enterprises (“SLPEs”), or Circular [2019] No. 13, jointly issued by the State Ministry of Finance and State Administration for Taxation in January 2019, an SLPE is entitled to a preferential tax rate of 20% with a 75% reduction on its annual taxable income for the portion not exceeding RMB1 million and a 50% reduction for the portion between RMB1 million to RMB3 million. Further to the Circular [2019] No. 13, Announcement on Preferential Tax Policies for SLPEs and Individually-owned Businesses was jointly issued by the State Ministry of Finance and State Administration for Taxation in April 2021, which provides SLPEs an 87.5% reduction on annual taxable income for the portion not exceeding RMB1 million. Pursuant to the Circular on Inclusive Tax Relief Policies for Small Low-Profit Enterprises (“SLPEs”), or Circular [2022] No. 13, jointly issued by the State Ministry of Finance and State Administration for Taxation in March 2022, an SLPE is entitled to a preferential tax rate of 20% with a 75% reduction on its annual taxable income for the portion between RMB1 million to RMB3 million. Pursuant to the Circular on Inclusive Tax Relief Policies for Small Low-Profit Enterprises (“SLPEs”), or Circular [2023] No. 6, jointly issued by the State Ministry of Finance and State Administration for Taxation in March 2023, an SLPE is entitled to a preferential tax rate of 20% with a 75% reduction on its annual taxable income for the portion not exceeding RMB1 million from January 2023 to December 2024. Pursuant to the Circular on Inclusive Tax Relief Policies for Small Low-Profit Enterprises (“SLPEs”), or Circular [2023] No. 12, jointly issued by the State Ministry of Finance and State Administration for Taxation in August 2023, an SLPE is entitled to a preferential tax rate of 20% with a 75% reduction on its annual taxable income and the preferential tax treatment is extended to December 31, 2027.

Accordingly, Shenzhen Baowang E-commerce Co., Ltd., the wholly-owned subsidiary of one of AIFU’s former VIEs, both of which have been divested in December 2024, enjoyed a preferential tax rate of 20% with a 75% reduction on their annual taxable income from January 1, 2019 to December 31, 2023. Shenzhen Fanhua Training Co., Ltd. a subsidiary of AIFU’s claims adjusting segment which was disposed of in January 2025, enjoyed a preferential tax rate of 20% with 75% on their annual taxable income from January 1, 2019 to December 31, 2020, an 87.5% reduction on their annual taxable income from January 1, 2021 to December 31, 2022 and a 75% reduction on their annual taxable income for the fiscal year of 2023.

Pursuant to the relevant laws and regulations in the PRC, Puyi Bohui is regarded as an accredited software company and a High and New Technology Enterprise (“HNTE”), and thus enjoys preferential tax treatments, including being exempted from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. For Puyi Bohui, tax year 2015 was the first profit-making year and accordingly, from January 1, 2017 to December 31, 2019 Puyi Bohui has made a 12.5% tax provision for its profits; beginning from January 1, 2020, Puyi Bohui is qualified for west development taxation preference and is subject to an income tax rate for 15%. Puyi Consulting are qualified for west development taxation preference and is subject to an income tax rate for 15%. Based on the operating status of Puyi Dake, it has been certified as a HNTE, thus enjoys a preferential tax treatment of an income tax rate of 15% upon its fulfilment of certain criteria.

VAT

In March 2016, during the fourth session of the 12th National People’s Congress, it was announced that the VAT reform will be fully rolled out and extended to all industries including construction, real estate, financial services and lifestyle services. Subsequently, the State Administration of Taxation and Ministry of Finance jointly issued a Notice on Preparing for the Full Implementation of the VAT Reform (Cai Shui [2016] No. 36). Accordingly, revenues from our services are subject to value-added tax instead of business tax starting from May 1, 2016.

PRC Urban Maintenance and Construction Tax and Education Surcharge

Any entity, foreign-invested or purely domestic, or individual that is subject to consumption tax, VAT and business tax is also required to pay PRC urban maintenance and construction tax. The rates of urban maintenance and construction tax are 7%, 5% or 1% of the amount of consumption tax, VAT and business tax actually paid depending on where the taxpayer is located. All entities and individuals who pay consumption tax, VAT is also required to pay education surcharge at a rate of 3%, and local education surcharges at a rate of 2%, of the amount of VAT, business tax and consumption tax actually paid.

Results of Operations

As the result of the disposal of AIFU's insurance claims adjusting segment in January 2025, as of June 30, 2025, we operated two reporting operating segments: (1) insurance agency, and (2) wealth management. Accordingly, the claims adjusting segment was accounted as discontinued operations. Consolidated statements of operations for the year ended June 30, 2024 have been restated to conform to the current presentation.

The following table sets forth a summary of our consolidated results of operations for the periods indicated. The information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of results that may be expected for any further period.

	Year Ended June 30,			
	2024	2024 to 2025 Percentage Change	2025	2025
	RMB	%	RMB	US\$
	(in thousand except percentage)			
Net revenues:				
Agency	900,246	(19.2)	727,538	101,560
Wealth management and others	62,966	(14.8)	53,678	7,492
Subtotal	963,212	(18.9)	781,216	109,052
Operating costs and expenses				
Agency	(889,185)	2.8	(914,149)	(127,610)
Wealth Management and others	(111,078)	5.4	(117,110)	(16,347)
Subtotal	(1,000,263)	3.1	(1,031,259)	(143,957)
Income (loss) from operations before goodwill impairment				
Agency	11,061	N/A	(186,611)	(26,050)
Wealth Management and others	(48,112)	31.8	(63,432)	(8,855)
Subtotal	(37,051)	574.9	(250,043)	(34,905)
Impairment loss on goodwill and intangible assets	(426,410)	(3.5)	(441,298)	(61,603)
Loss from operations	(463,461)	49.2	(691,341)	(96,508)
Other income (loss), net:				
Gain on disposal of subsidiaries	-	100.0	897,398	125,272
Net loss from fair value change	(73,761)	(99.6)	(279)	(39)
Derecognition of a contingent consideration	-	N/A	(22,267)	(3,108)
Investment income related to the realized gain on available-for-sale investments	22,016	24.9	27,502	3,839
Interest income, net	16,251	74.1	28,297	3,950
Others, net	(2,149)	27,432.6	(591,676)	(82,595)
Loss before income taxes and share of loss of affiliates	(501,104)	(29.7)	(352,366)	(49,189)
Income tax expense	(13,526)	N/A	19,642	2,742
Share of loss of affiliates	(1,218)	214.8	(3,834)	(535)
Net loss from continuing operations	(515,848)	(34.8)	(336,558)	(46,982)
Net Income (loss) from discontinued operations, net of tax	3,777	N/A	(122,344)	(17,078)
Net loss	(512,071)	(10.4)	(458,902)	(64,060)
Less: net loss attributable to the noncontrolling interests	(222,401)	18.2	(262,939)	(36,703)
Net loss attributable to owners of the Company	(289,670)	(32.3)	(195,963)	(27,357)

Year Ended June 30, 2025 Compared to Year Ended June 30, 2024

Net Revenues

Our net revenues decreased by 18.9% from RMB963.2 million for the fiscal year ended June 30, 2024 to RMB781.2 million (US\$109.1 million) for the fiscal year ended June 30, 2025.

Insurance agency segment

Net revenues from our insurance agency segment decreased by 19.2% from RMB900.2 million for the fiscal year ended June 30, 2024 to RMB727.5 million (US\$101.6 million) for the fiscal year ended June 30, 2025. Net revenues from our insurance agency segment consist of net revenues derived from our life insurance business and non-life insurance business.

- Net revenues from life insurance agency business consist of first year commissions, renewal commissions collected and renewal commissions recognized related to variable consideration estimates. Net revenues for the life insurance business decreased by 24.5%, from RMB827.8 million for the fiscal year ended June 30, 2024 to RMB625.1 million (US\$87.3 million) for the fiscal year ended June 30, 2025. The decrease in net revenues from life insurance agency business was primarily attributable to i) continued weakness in consumer spending confidence and persistent macroeconomic pressures on the insurance industry in general; and ii) the implementation of the “alignment of reported and actual expenses” policy in the insurance agency/broker channel since the second quarter of 2024, which led to a significant reduction in commissions, while insurers’ tied-agent channels only began to gradually implement the policy in April 2025. The resulting commission gap intensified the competitive advantage of tied-agent channels over agency/broker channels. Net revenues generated from our life insurance business accounted for 80.0% of our total net revenues for fiscal year ended June 30, 2025.
- Revenues for the non-life insurance business were mainly derived from commissions generated for internet-based insurance products, including medical insurance, accident insurance, travel insurance and homeowner insurance products, as well as from commissions and services fees from the provision of insurance brokerage services for commercial line of insurance products. Net revenues for the non-life insurance business increased by 41.4% from RMB72.4 million for the fiscal year ended June 30, 2024 to RMB102.4 million (US\$14.3 million) for the fiscal year ended June 30, 2025. The increase was mainly due to the acquisition of AIFU in December 2023 which resulted in a significant increase of net revenues from non-life insurance business in the first half of fiscal year ended June 30, 2025, offset by the decrease in net revenues for the non-life insurance business in the second half of fiscal year ended June 30, 2025 due to the divestiture of Baowang (www.baoxian.com), an online insurance distribution platform, in December 2025, which was previously the primary revenue contributor for non-life insurance business. Net revenues generated from the non-life insurance business accounted for 13.1% of our total net revenues for fiscal year ended June 30, 2025.

Wealth management services segment

Net revenues from wealth management services decreased by 14.8% from RMB63.0 million for the fiscal year ended June 30, 2024 to RMB53.7 million (US\$7.5 million) for the fiscal year ended June 30, 2025. Revenues generated from the wealth management business accounted for 6.9% of our total net revenues for the fiscal year ended June 30, 2025.

- *Publicly raised fund products.* Our revenue from publicly raised fund products increased by 5.2%, from RMB47.4 million for the fiscal year ended June 30, 2024 to RMB49.8 million (US\$7.0 million) for the fiscal year ended June 30, 2025. The increase was primarily due to the expansion of our institutional business. We have successfully attracted more institutional clients through a series of measures including enhancing the efficiency of our core transaction system and broadening our product offerings. The transaction value of our publicly raised fund products contributed by institution clients increased from RMB21.5 billion for the fiscal year ended June 30, 2024 to RMB229.0 billion (US\$32.0 billion) for the fiscal year ended June 30, 2025 which led to an increase in our commission income.

- Privately raised fund products. Our net revenues from privately raised fund products decreased by 59.8% from RMB9.7 million for the fiscal year ended June 30, 2024 to RMB3.9 million (US\$0.5 million) for the fiscal year ended June 30, 2025. The decrease was primarily due to (i) weakened investor risk appetite due to macroeconomic uncertainty and market volatility, which led to a 78.0% decline in the transaction value of our privately raised fund products from RMB71.8 million for the fiscal year ended June 30, 2024 to RMB15.8 million (US\$2.2 million) for the fiscal year ended June 30, 2025, resulting in a decrease in commission income (including management fees); (ii) a decrease in performance-based fees from RMB0.5 million for the fiscal year ended June 30, 2024 to RMB0.2 million (US\$24,621) for the fiscal year ended June 30, 2025; and (iii) a strategic pivot within our publicly raised fund business to prioritize institutional clients.

Revenue from consulting and other services, which was not material for either fiscal year 2024 or 2025, primarily consisted of service fee from providing comprehensive trust consulting service.

Operating Costs and Expenses

Our total operating costs and expenses increased by 3.1% from RMB1,000.3 million for the fiscal year ended June 30, 2024 to RMB1,031.3 million (US\$144.0 million) for the fiscal year ended June 30, 2025.

- Operating costs and expenses for our insurance agency segment increased by 2.8% from RMB889.2 million for the fiscal year ended June 30, 2024 to RMB914.2 million (US\$127.6 million) for fiscal year ended June 30, 2025, primarily due to the increase of operating expenses of RMB185.0 million (US\$25.8 million) due to the consolidation of AIFU which we acquired in December 2023, offset by (i) a decrease of RMB160.1 million (US\$22.4 million) in commissions paid to sales agents which was largely in line with the decline in net revenues and (ii) significant cost savings through a series of measures to enhance operational efficiency, including optimizing workforce, strategically consolidating underperforming sales outlets, and renegotiating rental agreements.
- Operating costs and expenses for our wealth management services segment increased by 5.4% from RMB111.1 million for the fiscal year ended June 30, 2024 to RMB117.1 million (US\$16.3) for the fiscal year ended June 30, 2025, primarily due to an increase of share-based compensation expenses related to share options granted to severed employees, offset by (i) a decrease by RMB10.8 million (US\$1.5 million) in commissions paid to our financial advisors which was largely in line with the decline in our net revenues from the wealth management segment, (ii) a decrease by RMB22.1 million (US\$3.1 million) in labor cost related to the optimization of our sales and marketing team and our administrative workforce and (iii) a decreased by RMB1.2 million (US\$0.2 million) in office expense related to our cost control measure in the fiscal year ended June 30, 2025.

Impairment loss on goodwill and intangible assets

Impairment loss on goodwill and intangible assets for fiscal year ended June 30, 2025 primarily consisted of the impairment loss recognized on goodwill and intangible assets arising from the acquisition of AIFU. We determined that triggering events occurred during the period, indicating that the carrying value of the Insurance Agency reporting unit may not be recoverable. This assessment was based on the unit's significant underperformance relative to forecasted financial results, primarily attributable to the enactment of new industry-specific regulatory guidelines, a deterioration in the broader macroeconomic environment, and a sustained decline in AIFU's stock prices. Consequently, we concluded that it was more likely than not that the asset group was impaired, leading to the recognition of an impairment of goodwill charge of RMB116.2 million (US\$16.2 million) for the fiscal year ended June 30, 2025 as compared with an impairment charge of RMB426.4 million for the fiscal year ended June 30, 2024. In addition, our annual impairment test for intangible assets indicated that the acquired insurance agency business performed below acquisition projections, largely due to new regulatory caps on commission rates. Using a discounted cash flow model, we determined that the carrying value of intangible assets exceeded their fair value. Accordingly, an intangible asset impairment loss of RMB325.1 million was recorded in fiscal year ended on June 30, 2025, with no such impairment recognized in fiscal year ended on June 30, 2024.

Loss from Operations

As a result of the foregoing factors, we recorded an operating loss of RMB691.3 million (US\$96.5 million) for the fiscal year ended June 30, 2025, as compared with an operating loss of RMB463.5 million for fiscal year ended June 30, 2024.

- Loss from operations for our agency insurance segment was RMB627.9 million (US\$87.7 million) for the fiscal year ended June 30, 2025 as compared to RMB415.3 million for the fiscal year ended June 30, 2024, which was primarily due to (i) decreased revenues and (ii) the impairment loss arising from the acquisition of AIFU.
- Loss from operations for our wealth management segment was RMB63.4 million (US\$8.9 million) for the fiscal year ended June 30, 2025 as compared to RMB48.1 million for the fiscal year ended June 30, 2024, which was primarily due to the decrease of revenue.

Other Income

Net loss from fair value change. Loss from fair value change was RMB0.3 million (US\$39,000) for the fiscal year ended June 30, 2025 as compared to a loss from fair value change of RMB73.8 million. The loss from fair value change for the fiscal year ended June 30, 2024 mainly reflected an unrealized holding loss of RMB82.5 million in fiscal year ended June 30, 2024, reflecting a change in the fair value of the Company's equity interests holding in Cheche Group Inc; in which we own approximately 3.2%, which is partially offset by an unrealized income of RMB8.8 million representing a change in the fair value of contingent consideration in relations to business combination in the first quarter of 2023.

Loss from derecognition of a contingent consideration. Loss from derecognition of a contingent consideration was RMB22.3 million (US\$3.1 million) for the fiscal year ended June 30, 2025, primarily representing the reversal of unrealized income from fair value change of contingent consideration related to the above-mentioned business combination.

Gains from the disposal of subsidiaries. Gains from the disposal of subsidiaries for the fiscal year ended June 30, 2025 was RMB897.4 million (US\$125.3 million) mainly representing gain from disposal of RONS Technologies and Xinbao Investment and their subsidiaries in December 2024, as compared with nil for the fiscal year ended June 30, 2024.

Other loss. Other loss was RMB591.7 million (US\$82.6 million) for fiscal year ended June 30, 2025 as compared with RMB2.1 million for fiscal year ended June 30, 2024. Other loss for fiscal year ended June 30, 2025 mainly represented allowance for credit loss of RMB612.7 million (US\$85.5 million) in related to loans provided to third parties.

Investment Income.

Investment income represents income received from short-term investments. Our investment income increased by 24.9% from RMB22.0 million for fiscal year ended June 30, 2024 to RMB27.5 million (US\$3.8 million) in the fiscal year ended June 30, 2025.

Net Interest Income.

Our net interest income increased by 74.1% from RMB16.3 million for the fiscal year ended June 30, 2024 to RMB28.3 million (US\$4.0 million) for fiscal year ended June 30, 2025 primarily due to the increase in term loans by RMB157.3 million (US\$22.0) from RMB783.6 million for fiscal year ended June 30, 2024 to RMB942.2 million (US\$32.0 million) for fiscal year ended June 30, 2025 .

Income Tax Expense/Benefit

For the fiscal year ended June 30, 2025, we recognized an income tax benefit of RMB 19.6 million (US\$2.7 million), primarily attributable to deferred tax income related to the impairment loss on goodwill and intangible assets, as well as the gain from the disposal of RONS Technologies and its subsidiaries in 2024. In contrast, an income tax expense of RMB 13.5 million was recorded for the fiscal year ended June 30, 2024.

Net Loss from continuing operations

The net loss from continuing operations decreased by 34.8% from RMB515.8 million for the fiscal year ended June 30, 2024 to RMB336.6 million (US\$47.0 million) for the fiscal year ended June 30, 2025.

Net loss (income) from discontinued operations

The net loss from discontinued operations was RMB122.3 million (US\$17.1 million) for the fiscal year ended June 30, 2025, as compared to a net income from discontinued operations of RMB3.8 million for the fiscal year ended June 30, 2024. The net loss from discontinued operations was mainly due to an impairment of goodwill of RMB126.9 million (US\$17.7 million) allocated to the claims adjusting segment for the fiscal year ended June 30, 2025.

Net Loss Attributable to the Non-controlling Interests

The net loss attributable to the non-controlling interests increased by 18.2% from RMB222.4 million for the fiscal year ended June 30, 2024 to RMB262.9 million (US\$36.7 million) in fiscal year ended June 30, 2025.

Net Loss Attributable to the Company's Shareholders

As a result of the foregoing factors, our net loss attributable to our shareholders decreased by 32.3% from RMB289.7 million for fiscal year ended June 30, 2024 to RMB196.0 million (US\$27.4 million) in fiscal year ended June 30, 2025.

Revision to Previously Issued Financial Statements

In fiscal year 2024, we identified an error related to recording funds it held temporarily for the investors as its asset, yet it did not have control over with. We assessed the materiality of this error individually and in the aggregate with other identified errors to prior periods' consolidated financial statements in accordance with SEC Staff Accounting Bulletin ("SAB") No. 99 "Materiality" codified in ASC 250 "Accounting Changes and Error Corrections." We concluded that the errors including two classification errors were immaterial to our previously issued financial statements and restatement of previously filed financial statements is not required. However, we determined it was appropriate to correct the prior periods errors by revising the financial statement line item amounts previously disclosed in SEC filings in order to achieve comparability in the consolidated financial statements. For details, see Note 2 (ad) of the financial statements filed as part of this report.

B. Liquidity and Capital Resources

Our principal sources of liquidity have been cash generated from our operating activities. As of June 30, 2025, we had RMB82.1 million (US\$11.4 million) in cash and cash equivalents, and RMB548.1 million (US\$76.5 million) in short-term investments. Our cash and cash equivalents consist of cash on hand and bank deposits and our short-term investments consisting of short-term, highly liquid investments that are readily convertible to known amounts of cash, and have an insignificant risk of changes in value related to changes in interest rates. Our principal uses of cash have been to maintenance of digital platforms, working capital requirements, automobiles and office equipment purchases, leasehold improvement and rental deposits.

We expect to require cash to fund our ongoing business needs, including recruitment and training of a professional sales force, and acquisitions which we expect to fund primarily in stock payment and cash to a lesser degree.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months. We may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our existing cash is insufficient to meet our requirements, we may seek to sell additional equity securities, debt securities or borrow from lending institutions. Financing may be unavailable in the amounts we need or on terms acceptable to us, if at all. The sale of additional equity securities, including convertible debt securities, would dilute our earnings per share. The incurrence of debt would divert cash for working capital and capital expenditures to service debt obligations and could result in operating and financial covenants that restrict our operations and our ability to pay dividends to our shareholders. If we are unable to obtain additional equity or debt financing as required, our business operations and prospects may suffer.

As a Cayman exempted and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our wholly foreign-owned subsidiary in China only through loans or capital contributions, subject to the approval of government authorities and limits on the amount of capital contributions and loans. In addition, our wholly foreign-owned subsidiary in China may provide Renminbi funding to our consolidated VIE only through entrusted loans. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of conversion of foreign currencies into Renminbi may delay or prevent us from using any offshore cash we may have to make loans to our PRC subsidiaries or to make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

	For the fiscal year ended June 30,			US\$
	2023	2024	2025	
	RMB	RMB	RMB	
	(in thousands)			
Net cash (used in) generated from operating activities	(25,363)	57,734	71,467	9,977
Net cash (used in) generated from investing activities	(4,986)	234,160	(327,099)	(45,663)
Net cash used in financing activities	-	(86,841)	(14,189)	(1,980)
Net (decrease) increase in cash and cash equivalents, and restricted cash	(30,349)	205,053	(269,821)	(37,666)
Cash and cash equivalents and restricted cash at beginning of year	194,259	164,470	370,396	51,705
Effect of exchange rate changes on cash and cash equivalents	560	873	4,740	662
Cash and cash equivalents and restricted cash at end of the year	164,470	370,396	105,315	14,701

Operating Activities

Net cash generated from operating activities for the fiscal year ended June 30, 2025 was RMB71.5 million (US\$10.0 million). This reflected the net loss of RMB458.9 million (US\$64.1 million), as adjusted for non-cash and non-operating items, primarily including (i) depreciation expense of RMB9.4 million (US\$1.3 million); (ii) amortization of intangible assets of RMB92.2 million (US\$12.9 million); (iii) non-cash operating lease expense of RMB47.6 million (US\$6.6 million); (iv) allowance for credit losses on financial assets of RMB615.8 million (US\$86.0 million), (v) share-based compensation expenses of RMB73.1 million (US\$10.2 million); (vi) impairment loss on goodwill and intangible assets of RMB568.2 million (US\$79.3 million), reflecting the change in fair value of AIFU since the acquisition of AIFU in December 2023; (vii) net gain on disposal of subsidiaries including RONS Technologies and its subsidiaries and other subsidiaries amounting to RMB902.0 million (US\$125.9 million); (viii) deferred taxes of RMB5.2 million (RMB0.7 million) in connection with the disposal of subsidiaries; (ix) interest accrued for other receivables and loan receivables of RMB29.4 million (US\$4.1 million), (x) reversal of provision on uncertain tax liabilities of RMB11.2 million (US\$1.6 million), (xi) derecognition of contingent consideration of RMB22.3 million (US\$3.1 million); (xii) interest repayment for short term loan of RMB4.6 million (US\$0.6 million), (xv) investment income of RMB5.6 million (US\$0.8 million) and (xvi) gain on disposal of investment in an associate of RMB4.3 million (US\$0.6 million). The significant changes in such non-cash and non-operating items were primarily due to impairment loss on goodwill and intangible assets due to the acquisition of AIFU in 2023, allowance for credit losses on financial assets, amortization of intangible assets, non-cash operating lease, share-based compensation expenses, offset by the significant disposal gain from RONS Technologies and its subsidiaries and interest accrued for other receivables and loan receivables. Operating cash flows were affected by a net positive change of RMB34.7 million (US\$4.8 million) in our operating assets and liabilities, primarily from the effects of (i) a decrease of accounts receivables and contract assets of RMB286.0 million (US\$39.9 million) and (ii) an increase of other payables and accrued expenses of RMB263.8 million (US\$36.8 million), offset by (i) an increase of other receivables and current assets of RMB261.9 million (US\$36.6 million), (ii) a decrease of RMB165.4 million (US\$23.1 million) in accounts payable, (iii) a decrease of RMB46.5 million (US\$6.5 million) in lease liability and (iv) a decrease of RMB36.9 million (US\$5.1 million) in other current liabilities.

Net cash generated from operating activities for the fiscal year ended June 30, 2024 was RMB57.7 million. This reflected the net loss of RMB512.1 million, as adjusted for non-cash and non-operating items, primarily including (i) depreciation of expense of RMB8.4 million; (ii) amortization of intangible assets of RMB50.8 million; (iii) non-cash operating lease expense of RMB37.1 million; (iv) share-based compensation expenses of RMB23.3 million; (v) impairment loss on goodwill of RMB426.4 million, reflecting the change in fair value of AIFU since the acquisition of AIFU in December 2023 and (vi) change in fair value of equity investments and contingent consideration of RMB73.8 million. The significant changes in such non-cash and non-operating items were primarily due to amortization of intangible assets and impairment loss on goodwill due to the acquisition of AIFU. Operating cash flows were negatively affected by a RMB49.8 million net change in our operating assets and liabilities, primarily from the effects of (i) a decrease of RMB61.6 million in accounts payable and accrued commissions, (ii) a decrease of RMB38.1 million in other payables and accrued expenses; (iii) a decrease of RMB36.5 million in lease liability, (iii) a decrease of RMB67.4 million in accounts receivable and contracts assets and (iv) a decrease of RMB19.9 million in other non-current assets. The net change in our operating assets and liabilities was primarily due to the payment of annual bonus to AIFU's employees and other accrued expenses incurred by AIFU.

Investing Activities

Net cash used in investing activities for the fiscal year ended June 30, 2025 was RMB327.1 million (US\$45.7 million), primarily attributable to cash used to purchase short-term investment products of RMB201.3 million (US\$28.1 million), cash lent to third parties of RMB188.0 million (US\$26.2 million), purchase of property, plant and equipment of RMB5.5 million (US\$0.8 million) and proceeds from disposal of subsidiaries, net of cash disposed of RMB168.6 million (US\$23.5 million), offset by proceeds from the disposal of short-term investments of RMB202.4 million (US\$28.3 million) that matured, repayment of loan receivables from a third party of RMB30.5 million (US\$4.3 million).

Net cash generated from investing activities for the fiscal year ended June 30, 2024 was RMB234.2 million, primarily attributable to cash used to purchase short-term investment products of RMB1.7 billion, cash lent to third parties of RMB838.8 million, purchase of property, plant and equipment of RMB4.3 million and disposal of subsidiaries, net of cash disposed of RMB12.8 million, offset by proceeds from disposal of short-term investments of RMB2.1 billion that matured, repayment of loan receivables from third parties of RMB145.5 million and cash acquired on non-cash acquisitions of RMB601.9 million.

Financing Activities

Net cash used in financing activities was RMB14.2 million (US\$2.0 million), attributable to repayment of bank borrowings and other borrowings of RMB57.5 million (US\$8.0 million), partially offset by proceeds from bank borrowings of RMB36.6 million (US\$5.1 million), proceeds of issuance of ordinary shares upon private placement of RMB3.0 million (US\$0.4 million) and proceeds from disposal of shares of subsidiaries of RMB3.6 million (US\$0.5 million).

Net cash used in financing activities was RMB86.8 million for the fiscal year ended June 30, 2024, attributable to repayment of bank borrowings and other borrowings of RMB164.3 million, dividend distributed to non-controlling interest of RMB29.5 million, acquisition of non-controlling interests in subsidiaries of RMB26.4 million, and repurchase of ordinary shares of AIFU from open market of RMB10.0 million, partially offset by proceeds from bank borrowings of RMB98.4 million and proceeds of issuance of ordinary shares upon private placement of RMB45.0 million.

Capital Expenditures

We made capital expenditures of RMB4.3 million and RMB6.2 million (US\$0.9 million) for the fiscal years ended June 30, 2024 and 2025, respectively. These expenditures were primarily related to leasehold improvement, our purchase of office equipment and maintenance of our technological infrastructure.

Holding Company Structure

Maase is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries in which we hold equity interest. As a result, our ability to pay dividends depends upon dividends paid by our wholly owned subsidiaries. If our wholly-owned subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly owned subsidiary in China is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our wholly owned subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve funds reach 50% of its registered capital. In addition, our wholly foreign-owned subsidiary in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by the SAFE. We currently plan to reinvest all earnings from our wholly-owned subsidiary in China to its business development and do not plan to request dividend distributions from it.

Off-Balance Sheet Arrangements

As of June 30, 2025, we did not enter any off-balance sheet arrangements such as any financial guarantees or other commitments to guarantee the payment obligations of any third-parties, which in the opinion of management are likely to have, a current or future material effect on our financial condition or results of operation. In addition, we have not entered into any derivative contracts that are indexed to our own shares and classified as equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

C. Research and Development, Intellectual Property

Research and Development

Not applicable.

Intellectual Property

See “Item 4. Information on our group — B. Business Overview — Intellectual Property”.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the fiscal year ended June 30, 2025 that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that are reasonably likely to cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities and the disclosure of our contingent assets and liabilities at the end of each fiscal period, as well as the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable. This forms our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policies, the judgments and other uncertainties affecting the application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. The following descriptions of critical accounting estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report. For further information, see Note 2 to our consolidated financial statements in this annual report.

Revenue Recognition

Revenue is recognized when control of promised goods or services is transferred to our customers in an amount of consideration to which an entity expects to be entitled to in exchange for those goods or services.

We derive agency revenue by serving as a sales agent to distribute various life insurance and a wide range of non-life insurance products on behalf of the insurance companies by which we are entitled to receive initial commission from the insurance companies based on the premium paid by the policyholders for the related insurance policy sold. For life insurance agency, we are also entitled to subsequent renewal commission and compensation, and renewal performance bonus (collectively referred to as “renewal commissions”) which represent variable considerations and are contingent on future renewals of initial policies or we achieve our performance target as such life insurance products are long-term products.

When estimating the variable consideration, we use the expected value method based on accumulated historical data and experiences. We also consider constraints when determining the estimated variable consideration, which we refer to as “estimated constrained values”.

We perform ongoing evaluation of the appropriateness of the constraint applied, and consider the sufficiency of evidence that would suggest that the long-term expectation underlying the assumptions has changed. The estimated renewal commissions are contingent on future renewals of initial policies or achievement of certain performance targets. Given the material uncertainty around the subsequent renewal of the insurance policies, the estimated renewal commissions expected to be collected are recognized as revenue only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is subsequently resolved. With the passage of time and accumulation of historical experiences and data, the judgment and assumptions are to be continuously re-evaluated and adjusted as needed when more information becomes available.

The following describes how we apply the expected value method and our key considerations and judgments under the expected value method:

- **Determining portfolio of contracts:** We set up portfolios segregated by renewal term of the underlying policies which we refer to as a “batch” under the expected value method, by grouping long-term life insurance policies into batches of policies with various renewal terms.
- **Accumulating historical data and experiences:** We believe that accumulating sufficient renewal years’ data for new products sold as the basis for the estimate is necessary for making a reasonable estimate that is representative and comparable to those policies sold in subsequent periods. On-going accumulation of historical renewal data and experiences represents the growth of our confidence for making a reasonable estimate without a significant subsequent reversal in revenue recognized.

- **Estimating variability for each variable renewal consideration:** For each of the variable renewal commissions, there is only one underlying variability (i.e., the renewal rates for each of the subsequent years of the policy period which is contingent on policyholders' renewal). Given the payment term for each of the renewal commissions is different, we thus separately estimate the future renewal rates of batches of policies based on accumulated historical renewal information.
- **Considering constraints on estimates:** In estimating the variable consideration, we evaluated the following factors that could increase the likelihood or magnitude of a reversal:
 - we have limited history of selling our current life insurance products and co-operating with our current customers, such that our confidence for making a reasonable estimate of future renewal(s) of long-term life insurance policies is limited;
 - the occurrence of renewal is outside our control and the estimate of renewal rates is complex and requires significant judgment;
 - the estimate of variable consideration associated with policy renewals has a broad range of possible consideration amounts; and
 - the contingency is not expected to be resolved for a long period of time

Along with the accumulation of historical renewal data and experiences, we re-evaluate the appropriateness of the constraint applied on an on-going basis and adjust the constraint accordingly when we observe more evidence that would suggest that the long-term expectation underlying the assumptions has changed. Accordingly, the constraint applied to existing business's total estimated renewal commissions we expect to receive for all sold long-term life insurance products was 41% as of June 30, 2025. Considering the difference in historical product matrix and portfolio of renewal data, we apply different constraints in estimating the renewal commission revenues to its existing business and the newly acquired entities. Accordingly, the constraints applied to Zhongrong's and Zhongji's total estimated renewal commissions we expect to receive for all sold long-term life insurance products are 5% and 14%, respectively, as of June 30, 2025.

- **Ongoing reassessment of the estimated constrained values:** We continue to reassess the estimated constrained values at the end of each reporting period on a quarterly basis, including continuing to review and evaluate the reasonableness of the applied assumptions by comparing the original estimated constrained values with the actual renewal commissions collected to monitor and determine whether any changes to the assumptions are needed.

Business Combinations

Business combinations are recorded using the acquisition method of accounting. We allocate the purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, expected cash flows and discount rates.

Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We use various techniques to determine fair value in such instances, including the income approach. Significant estimates used in determining fair value include, but are not limited to, cash flow projections, discount rate and useful lives. Allocation of purchase consideration to identifiable assets and liabilities affects our amortization expense, as acquired finite-lived intangible assets are amortized over the useful life, whereas any indefinite lived intangible assets, including goodwill, are not amortized. Changes in these estimates and assumptions could materially affect the determination of the asset's fair value. See Note 3 of the Notes to the Consolidated Financial Statements for information regarding business combination.

Goodwill Impairment Test

Goodwill represents the excess of costs over fair value of net assets of businesses acquired in a business combination. Goodwill is not amortized, but is tested for impairment at the reporting unit level at least on an annual basis at the balance sheet date or more frequently if certain indicators arise. The impairment test is performed as of year-end or if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount by comparing the fair value of a reporting unit with its carrying value.

The impairment review is highly judgmental and involves the use of significant estimates and assumptions. These estimates and assumptions have a significant impact on the amount of any impairment charge recorded. Estimates of fair value are primarily determined by using discounted cash flows. Discounted cash flows method is dependent upon assumptions of future sales trends, market conditions and cash flows of each reporting unit over several years. Actual cash flows in the future may differ significantly from those previously forecasted. Other significant assumptions include growth rates, operating margins and the discount rates applicable to future cash flows. Based on this quantitative test, it was determined that the carrying amount of the insurance agency reporting unit exceeded its fair value and, therefore, the Company recorded an impairment loss on goodwill of RMB116.2 million (US\$16.2 million) for the year ended June 30, 2025.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management.

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

Name	Age	Position
Hong Suong Nguyen	40	Chairperson of the board
Min Zhou	42	Chief Executive Officer and Vice-Chairperson of the Board of Directors
Guotao Liu	55	Co-Chief Executive Officer
Yuanfen Yang	49	Chief Financial Officer
Yingying Li	42	Independent Director
Kwan Pui Chui	30	Independent Director
Pei Yu	30	Independent Director

Hong Suong Nguyen Ms. Nguyen has been our chairperson since September 2024. Since June 2023, Ms. Hong Suong Nguyen has served as the Vice President of Wealth Will Limited, overseeing operational strategies and driving the company's capital deployment and growth in multiple emerging markets. Prior to that, from late 2018 until May 2023, she held the position of Sales Director at Trustwell Far East Pte. Ltd., where she was responsible for formulating and executing sales strategies, managing the sales team, analyzing market demands, maintaining customer relationships, and expanding business channels, making significant contributions to the company's cross-border business. She obtained her Bachelor's degree in International Business from Vietnam National University in 2008 and her Master's degree in Business Administration from Hanoi University of Science and Technology in 2009.

Min Zhou Ms. Zhou has served as our chief executive officer and Vice Chairperson of the Board since January, 2025. Prior to this, she was our Independent Director from September 2024 to January 2025. From April 2024 to December 2024, Ms. Min Zhou has been an executive director of Tian Ruixiang Holdings Ltd (NASDAQ "TIRX"). Before that, Ms. Zhou worked as an investment manager at Huobi Capital from September 2021 to September 2022, where she's developing investment plans and agreements for participating in the negotiation and trading of investment projects. She has rich experience in supervising the operation and development of investment projects. From September 2016 to June 2021, Ms. Zhou was the business development manager of Delta Insurance Brokerage Co., Ltd. Ms. Zhou has extensive experience in ensuring compliance with securities laws and regulations, protecting shareholders' interests, as well as participating in the formulation of company strategy and supervising management implementation to promote the company's long-term development and enhance shareholder value. Ms. Zhou graduated from Hunan University with a bachelor's degree in mechanical automation.

Guotao Liu Mr. Liu has served as our co-chief executive officer since August 2025. Prior to this, since January 2024 he has served as Chairman of Qingdao Youdian New Energy Technology Co., Ltd. which we acquired in August 2025. He concurrently serves as Chairman of Shandong Meinengda Automotive Service Co., Ltd. since January 2014 and Qingdao Huiju Lai Xi Intelligent Technology Co., Ltd. since January 2021. Previously, he served as Chairman of Shandong Bohai Rim Advertising Media Co., Ltd. from August 2006 to October 2017. With over 15 years of corporate management experience, he specializes in automotive services, smart technology, and new energy sectors. He received his Master's degree in Transportation Management in 1996 and Bachelor's degree in Automotive Design in 1994 from Military Transportation College.

Yuanfen Yang Ms. Yang has served as our Chief Financial Officer since November 2023, our Vice President of the Company since July 2022 and the Head of Finance Department of the Company since November 2010. Prior to joining the Company, Ms. Yang consecutively served as a financial manager at Shanghai Puyi Investment Consultant Co., Ltd. from September 2007 to October 2010, a financial manager at Sichuan Zhengxin Engineering Supervision and Consulting Co., Ltd. from April 2006 to September 2007 and a head of accounting at Sichuan Jinfeng Paper Co., Ltd. from July 1996 to March 2006, respectively. Ms. Yang obtained her bachelor's degree from Southwestern University of Finance and Economics, specializing in financial management. She has been qualified as an International Certified Public Accountant (ICPA) since August 2023, a Senior Tax Advisor since October 2017 and a Senior Accountant since August 2013.

Yingying Ms. Li has served as our independent director since September 2024. She has served as the OEM Cotton Product Director for Qinshu (Shanghai) Trading Co., Ltd since 2022. From July 2021 to October 2022, Ms. Li served as the General Manager of the Product Planning Department at Shanghai Metersbonwe Fashion Co., Ltd., where she had extensive experience in leading the planning team to collect, sort, analyze fashion trends, and develop product strategies based on brand positioning and annual business goals. She also had experience in preparing planning proposals, themes, and quarterly development timetables. From October 2017 to June 2021, Ms. Li served as the Manager of the Product Planning Department at E-Land Group. She had extensive experience in leading the planning, design, and production teams in conducting product sketch review, sample review at selection meetings, and pricing work to ensure product completion. Ms. Li graduated from Donghua University with a Master's degree in Textile Engineering.

Kwan Pui Chui Mr. Chui has served as our independent director since January, 2025. Mr. Chui is currently a lawyer at Fujian Shuangding Law Office. Prior to this, he served, with his last role, as a registered foreign lawyer in the corporate finance practice group at Deacons from 2019 to 2024, responsible for general corporate finance matters and IPO projects. He received a Master of Law Degree from City University of Hong Kong in 2019 and a Bachelor of Law Degree in Xiamen University in 2018. He had obtained the PRC lawyer license in 2023.

Pei Yu Ms. Pei has served as our independent director since April 2025. Ms. Pei Yu is currently serving as Finance Manager at Shenzhen Clarion Capital Venture Capital Co., Ltd. since July 2024. During her tenure, she has demonstrated exceptional proficiency in financial operations and strategic governance. In this role, she spearheads fiscal planning, investment analysis, and capital structure optimization. Prior to her current position, Ms. Yu served as a Senior Audit Professional at PricewaterhouseCoopers LLP from 2021 to 2024, where she led cross-functional teams in delivering critical services including financial statement audits for multinational corporations and IPO readiness assessments and capital markets advisory. She received a Master of Accounting from The Australian National University in 2019 and a Bachelor of financial Management in the West of Anhui University in 2017.

B. Compensation

Our board of directors has not adopted or established a formal policy or procedure for determining the amount of compensation paid to our executive officers. Our board of directors determines the compensation to be paid to our executive officers based on our financial and operating performance and prospects, and contributions made by the officers to our success. Each of our named executive officers are measured by a series of performance criteria by the board of directors on a yearly basis. Such criteria are set forth based on certain objective parameters such as job characteristics, required professionalism, management skills, interpersonal skills, related experience, personal performance and overall corporate performance. The board of directors will make an independent evaluation of appropriate compensation to key employees, with input from management. The board of directors has oversight of executive compensation plans, policies and programs.

For the fiscal year ended June 30, 2025, we paid an aggregate of approximately RMB2.0 million (US\$0.3 million) in cash to our executive officers and an aggregate of approximately RMB0.7 million (US\$0.1 million) in cash to our independent directors. We have not set aside or accrued any amounts to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries and the consolidated VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan.

Share Incentives

2018 Share Incentive Plan

Under the 2018 Share Incentive Plan, or the 2018 Plan, the maximum aggregate number of ordinary shares available for issuance will be 16,806,720 ordinary shares (equivalent to approximately 186,742 Class A ordinary shares after the Share Consolidation) ("2018 Share Incentive Plan"). The 2018 Share Incentive Plan will expire upon the tenth anniversary of the effective date.

On February 20, 2024, our board of directors approved the grant of share options to certain directors, executive officers, employees and top agents of the Company and AIFU to purchase 6,011,608 ADSs, previously representing 9,017,413 ordinary shares of the Company (equivalent to 100,194 Class A ordinary shares after the share consolidation), as a supplement of salary and benefit packages pursuant to the 2018 Share Incentive Plan (the "2024 Option 1"). Pursuant to the share incentive program, the exercise price of these options is US\$0.001 per ADS, equating to approximately US\$0.0007 per ordinary share, or US\$0.063 per post-split Class A ordinary share. The options are scheduled to vest over a one-year period starting from March 1, 2025, subject to the achievement of certain key performance indicators by the option holders and their continued service with the Company. As the required performance indicators related to 2024 Option 1 were not met during the year, the 20 Share Option 1 were fully forfeited.

2024 Share Incentive Plan

On February 20, 2024, our board of directors adopted a share incentive plan under which we have reserved 111,165,518 ordinary shares (equivalent to approximately 1,235,173 Class A ordinary shares after the Share Consolidation) for issuance, which was approximately 30% of our outstanding ordinary shares as of December 31, 2023 ("2024 Share Incentive Plan"). The 2024 Share Incentive Plan will expire upon the tenth anniversary of the effective date.

On November 19, 2024, our board of directors approved the grant of 3,000,000 restricted share units ("RSUs") to our chairwoman Ms. Hong Suong Nguyen. Each RSU represented a right to receive one ADS with every two ADS representing three Class A ordinary shares. Giving effect to our subsequent ADR facility termination and 1-for-90 Share Consolidation effected on June 20, 2025, the grant was adjusted to 50,000 RSUs, with each RSU now representing the right to receive one post-consolidation Class A ordinary share. The RSUs are scheduled to vest over a three-year period beginning on the grant date, subject to her continued service with the Company. As of June 30, 2025, all 50,000 of these adjusted RSUs remain outstanding.

During the first half of 2025, our board of directors granted a total of 40,002,240 RUSs to certain management and employees as severance compensation, with each RSU representing the right to receive one ADS. These RSUs were vested immediately upon grant. Following the termination of our ADR facility and Share Consolidation, these vested RSUs were adjusted to 666,704 RSUs, with each RSU representing the right to receive one post-consolidation Class A ordinary share.

The following paragraphs describe the principal terms of the 2018 Share Incentive Plan and 2024 Share Incentive Plan:

Type of Awards. The plans permit the awards of options, restricted shares, restricted share units and other share awards that relate to our ordinary shares.

Plan Administration. Our board of directors or a committee of one or more members of the board of directors will administer the plans, provided that grants to directors and executive officers of our company will be made by the full board. The committee or the board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant. We refer to our board of directors or a designated committee plan administrator.

Award Agreement. Awards granted under the plans are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, vesting schedule, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to our employees, consultants and directors, as determined and approved by the plan administrators.

Exercise of Options. Subject to applicable laws, the plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the plans or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

Termination and Amendment of the Plans. Our board of directors has the authority to terminate, amend, suspend or modify the plans in accordance with our articles of association and subject to applicable laws. However, without the prior written consent of the participant, no such action may adversely affect in any material way any award previously granted pursuant to the plans.

AIFU Share Incentive Plans

AIFU 2022 Share Incentive Plan

On August 12, 2022, AIFU's board of directors adopted a share incentive plan under which it has reserved 161,143,768 ordinary shares (equivalent to approximately 402,860 of its Class A ordinary shares giving effect to the 1-for-400 Reverse Share Split effected on May 21, 20205) for issuance, which was approximately 15% of its outstanding ordinary shares as of June 30, 2022 ("AIFU's 2022 Share Incentive Plan"). AIFU's 2022 Share Incentive Plan will expire upon the tenth anniversary of the effective date.

Simultaneously, its board of directors approved the grant of options to purchase an aggregate of 4,000,000 ordinary shares (equivalent to 10,000 of its Class A ordinary shares giving effect to the Reverse Share Split) to its independent directors pursuant to the AIFU 2022 Share Incentive Plan (the "AIFU 2022 Option 1"). The exercise price of these options is US\$0.2305 per ordinary share or US\$92.2 per post-split Class A ordinary share, equal to the closing price of its ADS on the Nasdaq Global Select Market one day prior to the grant date. Upon resignation of certain former independent directors in January 2024 and in September 2024 respectively, options to purchase 9,967 Class A ordinary shares under AIFU 2022 Option 1 were immediately exercisable and vested. Upon resignation of one independent director in January 2025, options to purchase 33 Class A ordinary shares were forfeited.

On February 6, 2023, its board of directors approved the grant of options to purchase an aggregate of 13,680,000 AIFU's ordinary shares (equivalent to 34,200 of its Class A ordinary shares giving effect to the Reverse Share Split) to certain top agents who have met the requirements for Million Dollar Round Table Membership ("MDRT" Agents), pursuant to the AIFU 2022 Share Incentive Plan (the "AIFU 2022 Option 2"). The exercise price of these options is US\$0.05 per ordinary share or US\$20.0 per post-split Class A ordinary share. The options are scheduled to vest over a two-year period starting from March 31, 2024, subject to the achievement of certain key performance indicators by the option holders and their continued service with AIFU.

On August 16, 2023, the board of directors of AIFU granted 536,990 RSUs ("RSUs 1") to a former executive officer. Each RSU represented a right to receive one ADS, with each ADS representing 20 ordinary shares of AIFU. Giving effect to the subsequent ADR facility termination whereby every ADS were exchanged for 20 Class A ordinary shares of AIFU and Reverse Share Split, this grant was adjusted to 26,850 RSUs, with each RSU representing a right to receive one post-consolidation Class A ordinary share. The RSUs were scheduled to vest over a five-year period commencing on June 30, 2024, subject to his continued service. On July 15, 2024, the board of directors of AIFU granted an additional 268,200 RSUs ("RSUs 2") to the same officer. Each RSU similarly represented a right to receive one ADS. This grant of 268,200 RSUs (representing 5,364,000 Class A ordinary shares) was adjusted to 13,410 RSUs following the ADR facility termination and Reverse Share Split, with each RSU representing one post-consolidation Class A ordinary share. Upon resignation of this former executive officer in September 2024, RSUs representing 40,000 post-split Class A ordinary shares of AIFU were immediately vested and the remaining RSUs were forfeited.

AIFU 2024 Share Incentive Plan

On February 20, 2024, AIFU's board of directors adopted a share incentive plan under which it has reserved 113,423,618 ordinary shares (equivalent to 283,560 of its Class A ordinary shares giving effect to the Reverse Share Split) for issuance, which was approximately 10% of its outstanding ordinary shares as of December 31, 2023 ("AIFU's 2024 Share Incentive Plan"). AIFU's 2024 Share Incentive Plan will expire upon the tenth anniversary of the effective date.

Pursuant to AIFU 2024 Share Incentive Plan, the following option and RSUs grants were approved by AIFU's board of directors:

- On April 16, 2024, share options were granted to certain "MDRT" Agents to purchase an aggregate of 18,088,000 ordinary shares (equivalent to 45,220 of its Class A ordinary shares giving effect to the Reverse Share Split) with an exercise price of US\$0.11809 per ordinary share or US\$47.236 per post-split Class A ordinary share ("2024 Option 1"). The options are scheduled to vest over a two-year period starting from the date of grant, with each of the 50% to be vested on March 31, 2025 and March 31, 2026, respectively, subject to the achievement of certain key performance indicators by the option holders and their continued service with AIFU.
- On June 25, 2024, share options were granted to certain sales team leaders to purchase an aggregate of 4,930,000 of its ordinary shares (equivalent to 12,325 consolidated Class A ordinary shares giving effect to the Reverse Share Split), ("2024 Option 2"). The exercise price of these options is US\$0.05 per ordinary share, or US\$20 per post-split Class A ordinary share. The options are scheduled to vest over a two-year period starting from March 31, 2025, subject to the achievement of certain key performance indicators by the option holders and their continued service with AIFU.
- On various dates from April 16, 2024, share options were granted to certain new agents to purchase an aggregate of 3,400,000 of its ordinary shares (equivalent to 8,500 Class A ordinary shares giving effect to the Reverse Share Split) ("2024 Option 3"). The exercise price of these options is US\$0.05 per ordinary share, or US\$20.0 per post-split class A ordinary share. The options are scheduled to vest over a two-year period beginning on the grant date, with 50% vesting on March 31, 2025, and the remaining 50% vesting on March 31, 2026, subject to the achievement of certain key performance indicators by the option holders and their continued service with AIFU.

- On November 18, 2024, the board of directors of AIFU approved the grant of 1,000,000 RSUs (“RSUs 3”) to Ms. Hong Suong Nguyen. Each RSU represented a right to receive one ADS, with each ADS representing 20 Class A ordinary shares of AIFU. Giving effect to the subsequent ADR facility termination and Reverse Share Split, the grant was adjusted to 50,000 RSUs, with each RSU representing a right to receive one post-split Class A ordinary share. The RSUs 3 are scheduled to vest over a three-year period beginning on the grant date, with 30% vesting on each of the first and second anniversaries in 2025 and 2026 and the remaining 40% vesting on the third anniversary in 2027, subject to her continued service with AIFU.
- On February 14, 2025, the board of directors of AIFU approved a severance compensation package for certain former officers and employees, which included a grant of 10,000,000 restricted share units (“RSUs 4”). Each RSU represented the right to receive one ADS and was fully vested on March 1, 2025. Subsequently, following AIFU’s termination of the ADR facility and Reverse Share Split the 10,000,000 vested RSUs were adjusted to 500,000 RSUs, with each RSU representing the right to receive one post-split Class A ordinary share.
- On April 29, 2025, the board of directors of AIFU approved a severance compensation package for a former executive officer, which included a grant of 1,000,000 restricted share units (“RSUs 5”). Each RSU represented the right to receive one ADS. The RSUs were fully vested upon grant. Subsequently, following the termination of the ADR facility and a 1-for-400 Reverse Share Split, the 1,000,000 vested RSUs were adjusted to 50,000 RSUs, with each RSU representing the right to receive one post-split Class A ordinary share.

As of June 30, 2025, options to purchase 41,862 Class A ordinary shares of AIFU and 40,795 RSUs in Class A ordinary shares of AIFU have been granted and are outstanding under AIFU’s 2022 and 2024 Share Incentive Plans.

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentives” disclosed in AIFU’s annual report on Form 20-F filed with the Commission on April 25, 2025 for more details of AIFU’s share incentives.

C. Board Practices

Board Committees

We have established three committees under the board of directors: the audit committee, the compensation committee, the corporate governance and nominating committee and have adopted a charter for each of the committees. Each committee’s members and functions are described below.

Audit Committee. Our audit committee consists of three independent directors, Ms. Pei Yu, Mr. Kwan Pui Chui and Ms. Yingying Li, and is chaired by Ms. Pei Yu. We have determined that these three independent directors satisfy the independence requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that Ms. Pei Yu qualify as “audit committee financial experts” within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our group. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management’s response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;

- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of Ms. Yingying Li, Ms. Pei Yu and Mr. Kwan Pui Chui, and is chaired by Ms. Li Yingying. We have determined that these three independent directors satisfy the independence requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Our compensation committee assists the board of directors in reviewing and approving the compensation structure of our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and recommending to the board with respect to the total compensation package for our chief executive officer;
- approving and overseeing the total compensation package for our executives other than the chief executive officer;
- reviewing and making recommendations to the board with respect to the compensation of our directors; and
- reviewing periodically and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee consists of Mr. Kwan Pui Chui, Ms. Yingying Li and Ms. Pei Yu, and is chaired by Mr. Kwan Pui Chui. We have determined that these three independent directors satisfy the independence requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. The corporate governance and nominating committee assists our board of directors in identifying individuals qualified to become our directors and in determining the composition of the board and its committees. The corporate governance and nominating committee is responsible for, among other things:

- identifying and recommending to the board nominees for election or re-election to the board, or for appointment to fill any vacancy;
- reviewing annually with the board the current composition of the board in light of the characteristics of independence, skills, experience and availability of service to us;
- identifying and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as the corporate governance and nominating committee itself;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance, as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to our company, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the rights vested thereunder in the holders of the shares. Our directors owe their fiduciary duties to our company and not to our company's individual shareholders, and it is our company which has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs.

The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found by our company to be or becomes of unsound mind; or (iii) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated.

D. Employees

The following table sets forth the breakdown of AIFU's employees by function as of June 30, 2025.

	Number of Employees	% of Total
Management	206	28.2
Administrative staff	446	61.0
Financial and accounting staff	71	9.7
Information technology staff	8	1.1
Total	731	100.0

The following table sets forth the breakdown of Maase' employees excluding those of AIFU's by function as of June 30, 2025.

Functional area	Number of employees	Percentage of total
Investment advisory	21	26.9%
Management and administrative	23	29.5%
Technical department	20	25.6%
Risk management	2	2.6%
Asset management	12	15.4%
Total	78	100.0%

In accordance with PRC regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing insurance. We are required under PRC law to contribute to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by local governments from time to time. We believe that we maintain good working relationships with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

See Item 7 below.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following tables set forth certain information with respect to the beneficial ownership of our ordinary shares as of the date of this annual report:

- each shareholder known by us to be the beneficial owner of more than 5% of our outstanding ordinary shares;
- each shareholder known by us to be the beneficial owner of more than 5% of our voting power; and
- each of our directors and executive officers;

As of the date of this annual report, 2025, we have 319,814,024 ordinary shares outstanding comprising of 313,147,356 Class A ordinary shares and 6,666,668 Class B ordinary shares. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of the date of this annual report, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	<u>Class A Ordinary Shares</u>	<u>Class B Ordinary Shares</u>	<u>% of Beneficially Ownership (of total Class A Ordinary Shares and Class B Ordinary Shares)⁽¹⁾</u>	<u>% of Aggregate Voting Power⁽¹⁾</u>
Directors and Executive Officers:				
Nguyen Hong Suong	*	*	*	*
Zhou Min	*	*	*	*
Liu Guotao	*	*	*	*
Yang Yuanfen	*	*	*	*
Li Yingying	*	*	*	*
Chui Kwan Pui	*	*	*	*
Yu Pei	*	*	*	*
All Directors and Executive Officers as a Group	*	*	*	*
Principal Shareholders:				
Moonlit Group Ltd. ⁽²⁾	2,223	5,555,556	1.74%	56.70%
Katherine Wang ⁽²⁾	2,223	5,555,556	1.74%	56.70%
Equality Group Ltd. ⁽³⁾	1,112	1,111,112	0.35%	11.34%
Hongyu Wang ⁽³⁾	1,112	1,111,112	0.35%	11.34%
Golden Brighter Limited ⁽⁴⁾	93,049,939	-	29.10%	9.50%
Baron Ren ⁽⁴⁾	93,049,939	-	29.10%	9.50%
WJ Management Limited ⁽⁵⁾	93,049,939	-	29.10%	9.50%
Dejun Yu ⁽⁵⁾	93,049,939	-	29.10%	9.50%
Arts Wing Limited ⁽⁶⁾	92,122,044	-	28.80%	9.40%
Robert Liu ⁽⁶⁾	92,122,044	-	28.80%	9.40%

* Less than 1% of our total outstanding ordinary shares.

† The business address of our directors and executive officers is c/o 12F, Block B, Longhu Xicheng Tianjie No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu, Sichuan Province, People's Republic of China

(1) Percentage of beneficial ownership of each director and executive officer is based on 319,814,024 ordinary shares outstanding comprising of 313,147,356 Class A ordinary shares and 6,666,668 Class B ordinary shares as of the date of this annual report. The Class B ordinary shares are treated as converted into Class A ordinary shares only for the purpose of calculating the percentage ownership. Percentage of aggregate voting power is calculated by dividing the voting power beneficially owned by each director and executive officer and principal shareholder by the voting power of all of our Class A ordinary shares and Class B ordinary shares as a single class. Each Class A ordinary share is entitled to one (1) vote while each Class B ordinary share is entitled to one hundred (100) votes on any and all matters submitted for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law.

(2) Includes (i) 2,223 Class A ordinary shares of the Company held by Moonlit Group Ltd. ("Moonlit") and (ii) 5,555,556 Class B ordinary shares held by Moonlit, which is wholly-owned by Katherine Wang. The registered address of Moonlit is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

(3) Includes (i) 1,112 Class A ordinary shares of the Company held by Equality Group Ltd. ("Equality"), and (ii) 1,111,112 Class B ordinary shares held by Equality which is wholly-owned by Hongyu Wang. The registered address of Equality is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

(4) Includes 93,049,939 Class A ordinary shares of the Company held by Golden Brighter Limited which is wholly owned by Baren Ren. The registered address of Golden Brighter Limited is Room 1202, Tower A, New Mandarin Plaza, 14 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

(5) Includes 93,049,939 Class A ordinary shares of the Company held by WJ Management Company Limited. ("WJ Management"), which is wholly owned by Dejun Yu. The registered address of WJ Management is Room 1604, 16/F, OfficePuls@Sheung Wan, 93-103 Wing Lok Street, SheungWan, Hong Kong.

(6) Includes 92,122,044 Class A ordinary shares of the Company held by Arts Wing Limited, which is wholly owned by Robert Liu. The registered address of Arts Wing Limited is Room 1202, Tower A, New Mandarin Plaza, 14 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

To our knowledge, as of the date of this annual report, 1,139,246 ordinary shares were held by one record holder in the United States, representing approximately 0.36% of our total outstanding shares. The record holder is Cede & Co., the nominee of the Depository Trust Company. The number of beneficial owners of our Class A ordinary shares in the United States is likely to be much larger than the number of the record holder of our ordinary shares in the United States.

B. Related Party Transactions

Contractual Arrangements with the VIEs and Their Respective Shareholders

See “Item 4. Information on Our Group—C. Organizational Structure.”

Employment Agreements

We have entered employment agreements with each of our executive officers, which generally provide for a term of three years, provided that either party may terminate the agreement on 60 days’ notice before expiration of the initial term. Pursuant to the agreements, the executive officers are entitled to receive annual compensation and bonus approved by the board of the directors. The agreements also provide that the executive officers are to work a minimum of 40 hours per week.

Under applicable laws and regulations, there are some situations where we can terminate employment agreements without paying economic compensation, such as the employer maintains or raises the employment conditions but the employee refuses to accept the new employment agreement, when the employment agreement is scheduled to expire, the employee is retired in accordance with laws or the employee is dead, declared dead or has disappeared. For termination of employment in absence of legal cause we are obligated to pay the employee two-month’s salary for each year we have employed the employee. We are, however, permitted to terminate an employee for cause without paying economic compensation, such as when the employee has committed a crime, being proved unqualified for recruitment during the probation period, seriously violating the rules and regulations of the employer, or the employee’s actions or inactions have resulted in a material adverse effect to us.

Additionally, the employment agreements with executive officers provide for confidentiality and nondisclosure provisions, pursuant to which the executive officers are required to keep trade secrets confidential during the course of their employment and for a period of 36 months following the termination of their employment. Such employment agreements also contain a non-compete clause for a duration of 24 months following their employment, which prohibited the executive officers render services to or for, directly or indirectly, our competitors.

Share Incentive Plan

See “Directors, Senior Management and Employees — B. Compensation — Share Incentive.”

Other Related Party Transactions

Please see Note 22 of the consolidated financial statements filed as part of this annual report.

C. Interests of experts and counsel.

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information.

We have appended consolidated financial statements to this annual report. See “Item 18. Financial Statements.”

Dividend Policy

Our board of directors has complete discretion as to whether to distribute dividends, subject to our articles of association and Cayman Islands law. In addition, our shareholders by ordinary resolution may declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend on its shares out of either profit or share premium amount, provided 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. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our 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 we pay any dividends, our ADS holders will be paid to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares.”

For undistributed profits earned from our China subsidiaries, we have both the intent and ability to permanently reinvest these undistributed profits.

Legal Proceedings

We are involved in disputes and legal or administrative proceedings in the ordinary course of our business.

We are currently involved in a material arbitration proceeding initiated by GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “Claimants”) before the International Centre for Dispute Resolution (ICDR). The Claimants seek damages in excess of US\$124 million relating to a Securities Purchase Agreement dated April 16, 2024 (the “GEM Agreement”) between us and GEM Global Yield LLC SCS”, which contemplated a potential equity investment of up to US\$1 billion.

The GEM Agreement was negotiated by Mr. Peh Chin Hua, our former Chairman of the Board (“Former Chairman”), and Mr. Chan Michael Ewe Teik, a third-party intermediary nominated by the Former Chairman, and executed on the Company’s behalf by the Former Chairman.

In August 2024, through an internal investigation, our Board of Directors came to suspect that the Former Chairman, Singapore White Group Pte. Ltd. (“White Group”), an entity controlled by the Former Chairman, and Mr. Chan may have engaged in a fraudulent scheme that defraud the Company through a series of complex transactions, including the GEM Agreement. The investigation revealed that the Former Chairman may have withheld material information from the Board regarding GEM Agreement and White Group Agreement. In September 2024, our Board determined that the GEM Agreement was void due to fraud and resolved to terminate all proposed transactions and cooperation with the Former Chairman and White Group.

Consequently, on July 29, 2025, Claimants filed an arbitration with the ICDR against us concerning the GEM Agreement, seeking claims amounting to over US\$124 million. We filed formal answers on September 4, 2025, denying all allegations asserted by the Claimants. The arbitration is in its early stages, and the final outcome and its potential financial impact on the Company are subject to significant uncertainty.

We believe that the Claimants’ allegations have no merit and we intend to vigorously defend against the claims. However, defending such arbitration could be time-consuming and costly and could divert the attention of our senior management. An unfavorable resolution of this arbitration or any future allegations, lawsuits or proceedings could materially and adversely affect our results of operations and financial condition and the market prices of our Class A ordinary shares. In accordance with applicable accounting standards, the Company has accrued a provision of \$0 for this contingency.

Except as disclosed above, we are currently not a party to any judicial, arbitration or administrative proceedings that, in the opinion of our management, are likely to have a material and adverse effect on our business, financial condition or results of operations. However, we may from time to time be involved in litigation and claims that arise in the ordinary course of our business operations. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See “Item 3. Key Information—D. Risk Factors” above. Litigation or any other legal or administrative proceedings, regardless of the outcome, may result in substantial cost and diversion of our resources, including our management’s time and attention.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

See “C. Markets”

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs had been listed on the Nasdaq Global Market since March 29, 2019. From March 29, 2019 until March 13, 2024, our ticker symbol was “PUYI” and from March 13, 2024 until May 4, 2025, our ticker symbol was “HPH”. Since May 5, 2025, our ADSs commenced trading under the symbol “MAAS”.

On June 20, 2025, we terminated the American depository receipt facility for our ADSs and ceased the listing of the ADSs on Nasdaq. On June 23, 2025, our Class A ordinary shares commenced trading on Nasdaq in substitution for the ADSs, under the same symbol “MAAS.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following are summaries of material provisions of our fifth amended and restated memorandum and articles of association, as adopted by our shareholders by special resolution, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our fifth amended and restated memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary Shares. Our authorised share capital is US\$450,000,000 divided into 5,000,000,000 shares consisting of (i) 4,000,000,000 Class A Ordinary Shares of a nominal or par value of US\$0.09 each; and (ii) 1,000,000,000 Class B Ordinary Shares of a nominal or par value of US\$0.09 each. Their respective rights and restrictions are set out in our fifth amended and restated memorandum and articles of association. Our Class A ordinary shares and Class B ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. Each Class B ordinary share is convertible into one (1) fully paid Class A ordinary share at any time by the relevant holder. The right to convert shall be exercisable by the holder of the Class B ordinary share delivering a written notice to our company. In no event shall our Class A ordinary shares be convertible into Class B ordinary shares. Save for the voting rights and conversion rights set out in our fifth amended and restated memorandum and articles of association, our Class A ordinary shares and Class B ordinary shares shall rank *pari passu* and shall have the same rights, preferences, privileges and restrictions.

Subject to our fifth amended and restated memorandum and articles of association in relation not director's interests and the Nasdaq Rules, Class B ordinary shares may only be allotted and issued to directors, senior management or holders of the existing shares and companies wholly owned by such directors, senior management or holders of the existing shares in the Company's share capital, at such times and on such terms, considerations and conditions as the directors, in their absolute discretion, may think fit. Subject to the Companies Act and our fifth amended and restated memorandum and articles of association, our directors may, at their own discretion, by a majority of votes, decide on the consideration for issuance, purchase, or otherwise acquire all or any Class B ordinary shares at a price determined by the directors at their sole discretion.

Fractional Shares. Under the terms of our fifth memorandum and articles of association, the directors of the Company may issue fractions of a share and, if so issued, a fraction of a share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole share. If more than one fraction of a share is issued to or acquired by the same shareholder such fractions shall be accumulated.

Dividends. The holders of our Class A shares are entitled to such dividends as may be declared by our board of directors. Under the laws of the Cayman Islands, our company may declare and pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Each Class B ordinary shares confers upon the holder no right to any share in any dividend or distribution paid by the Company.

Voting rights. Holders of Class A ordinary shares and Class B ordinary shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Holders of our shares have the right to receive notice of, attend, speak and vote at general meetings of our company. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman. Subject to any rights and restrictions for the time being attached to any share, on a show of hands every shareholder present in person and every person representing a shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general meeting or extraordinary general meeting of our company, each have one (1) vote for each Class A ordinary share and one hundred (100) votes for each Class B ordinary share and on a poll every shareholder and every person representing a shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall have one (1) vote for each Class A ordinary share and one hundred (100) votes for each Class B ordinary share of which he or she or the Person represented by proxy is the holder.

A quorum required for a meeting of shareholders consists of one or more shareholders holding not less than an aggregate of one-third of all shares in issue of our company present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Advance notice of at least ten calendar days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting. A special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding shares at a meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our fifth amended and restated memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes that will affect the rights, preferences, privileges or powers of the preferred shareholders.

General Meetings of Shareholders. As a Cayman Islands exempted company with limited liability, we are not obliged by the Companies Act to call shareholders' annual general meetings. At our general meetings the report of our directors (if any) shall be presented.

Shareholders' general meetings may be convened by the chairman or a majority of our board of directors. Advance notice of at least ten (10) calendar days is required for the convening of general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than an aggregate of one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Act provides shareholders with only limited rights to require a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our fifth memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than one-third of the paid up capital of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our fifth amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions of our Memorandum and Articles of Association, as applicable, any of our shareholders may transfer all or any of his or her Class A ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board. No Class B Ordinary Share may be sold, transferred, assigned, pledged, or otherwise disposed of, or used as collateral for loans or any obligations.

Our board of directors may, in its absolute discretion, decline to register any transfer of any share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; and
- a fee of such maximum sum as the NASDAQ Global Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the NASDAQ Stock Market, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share, at the option of the holder, subject to approval by no less than two-thirds of the board of directors or by written resolutions of all the directors. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares under any circumstances. Class B Ordinary Shares shall be automatically and immediately converted into an equal number of Class A Ordinary Shares under the following circumstances: (i) if the holder is an employee, upon the termination of their employment (howsoever arising) with the Company; (ii) if the holder is a Director, upon their resignation or removal from the board of directors; and (iii) if the holder is a wholly-owned company (“Owned Company”) of a director, senior management, or an existing shareholder, upon the individual ceasing to wholly own the Owned Company.

Liquidation. On the winding up of our company by special resolution of our company or any other sanction required by the Companies Act, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of our paid-up capital, the assets will be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them. Each Class B ordinary shareholder has no right to any share in the distribution of the surplus assets of the Company upon liquidation or otherwise.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors, or by the shareholders by ordinary resolutions. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time, our share capital is divided into different classes of shares, the rights attached to any class of shares, subject to any rights or restrictions for the time being attached to any class of shares, may only be materially varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of the class by a majority of two-thirds of the votes cast at such meeting. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be materially adversely varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our fifth amended and restated memorandum of association authorizes our board of directors to issue additional shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our fifth amended and restated memorandum of association also authorizes our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See “Item 10. Additional Information — H. Documents on Display.”

Anti-Takeover Provisions. Some provisions of our third memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our fifth memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as an exempted limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on Our Group,” “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions,” in this “Item 10. Additional Information — C. Material Contracts” or elsewhere in this annual report on Form 20-F.

D. Exchange Controls

See “Item 4. Information on our group — B. Business Overview — Regulation— PRC Regulations Relating to Foreign Exchange.”

E. Taxation

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our Class A ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, China and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers (Hong Kong), our counsel as to Cayman Islands law, and to the extent it relates to PRC tax law, it represents the opinion of ETR Law Firm, our counsel as to PRC law.

PRC Enterprise Income Tax

According to the Enterprise Income Tax Law of PRC (the “EIT Law”), which was promulgated on March 16, 2007, effective as of January 1, 2008, and last amended in December 2018, the income tax for both domestic and foreign-invested enterprises is at a uniform rate of 25%. The Regulation on the Implementation of Enterprise Income Tax Law of the PRC (the “EIT Rules”) was promulgated on December 6, 2007 and came into effect on January 1, 2008, and which was revised and effectuated on April 23, 2019.

Uncertainties exist with respect to how the EIT Law applies to the tax residence status of Maase and our offshore subsidiaries. Under the EIT Law, an enterprise established outside of China with a “de facto management body” within China is considered a “resident enterprise”, which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Although the implementation rules of the EIT Law define “de facto management body” as a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise, the only official guidance for this definition currently available is set forth in Circular 82 issued by the State Administration of Taxation, on April 22, 2009 which provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a “resident enterprise” with its “de facto management bodies” located within China if the following criteria are satisfied:

- the place where the senior management and core management departments that are in charge of its daily operations perform their duties is mainly located in the PRC;
- its financial and human resources decisions are made by or are subject to approval by persons or bodies in the PRC;
- its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and
- more than half of the enterprise’s directors or senior management with voting rights frequently reside in the PRC.

We believe that Maase is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body”. If we are deemed a China resident enterprise, we may be subject to the EIT at the rate of 25% on our global income, except that the dividends we receive from our Chinese subsidiaries may be exempt from the EIT to the extent such dividends are deemed dividends among qualified resident enterprises. If we are considered a resident enterprise and earn income other than dividends from our Chinese subsidiaries, a 25% EIT on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

PRC Value-Added Tax

On March 23, 2016, the Ministry of Finance of China and the State Administration of Taxation of China jointly issued the Circular on the Nationwide Implementation of Pilot Program for the Collection of Value Added-Tax Instead of Business Tax, or Circular 36, which came into effect on May 1, 2016. Subsequent to the effectiveness of Circular 36, the business of the consolidated VIEs and WFOEs and their subsidiary will be primarily subject to value-added tax, or VAT, at a rate of 6% and they would be permitted to offset input VAT by providing valid VAT invoices received from vendors against their VAT liability.

PRC Stamp Tax

The Stamp Tax Law of the People’s Republic of China (the “Stamp Tax Law”) was promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022. According to the Stamp Tax Law, all units and individuals which execute taxable documents or conduct security transactions should be regarded as obligatory payers of stamp duty. The taxable documents include the contracts, property transfer documents and business account books listed in the Schedule of Stamp Duty Items and Tax Rates attached hereto. The securities transactions refer to the transfer of the stocks and depository receipts based on stocks, which are traded on the stock exchanges established according to laws or other national stock exchanges approved by the State Council. Taxpayers shall calculate the amount of tax payable in accordance with the nature of the taxable documents, and the tax rate varies from 0.003% to 0.1%.

Dividend Withholding Tax

Under the PRC tax laws effective prior to January 1, 2008, dividends paid to foreign investors by foreign-invested enterprises are exempt from PRC withholding tax. Pursuant to the EIT Law and the Implementation Rules, dividends generated after January 1, 2008 and distributed to us by our PRC subsidiaries through our BVI subsidiary are subject to a 10% withholding tax, provided that we are determined by the relevant PRC tax authorities to be a “non-resident enterprise” under the EIT Law. Pursuant to the Avoidance of Double Taxation Arrangement, which became effective on January 1, 2007, which was subsequently amended on January 30, 2008, May 27, 2010, April 1, 2015 and July 19, 2019, dividends from AIFU’s PRC subsidiaries paid to AIFU through its Hong Kong SAR subsidiary CNinsure Holdings Ltd. are subject to a withholding tax at a rate of 5%. However, as described above, we may be considered a PRC resident enterprise for EIT purposes, in which case dividends received by us from our PRC subsidiary would be exempt from the PRC withholding tax because such income is exempted under the EIT Law for a PRC resident enterprise recipient. In July 2018, CNinsure Holdings Ltd. was determined by Hong Kong SAR Taxation Bureau to be a Hong Kong SAR resident enterprise and completed the application and filing process for enjoying the tax treaty in PRC Taxation Bureau therefore AIFU has applied a 5% withholding tax rate for the dividends paid by its PRC subsidiaries since then. As there remains uncertainty regarding the interpretation and implementation of the EIT Law and the Implementation Rules, it is uncertain whether any dividends to be distributed by us, if we are deemed a PRC resident enterprise, to our non-PRC shareholders and ADS holders would be subject to any PRC withholding tax. See “Item 3. Key Information—D. Risk Factors—cc—Our global income or the dividends we receive from our PRC subsidiaries may be subject to PRC tax under the EIT Law, which could have a material adverse effect on our results of operations.”

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our Class A ordinary shares will not be subject to taxation in the Cayman Islands, and no withholding will be required on the payment of a dividend or capital to any holder of our Class A ordinary shares, nor will gains derived from the disposal of our Class A ordinary shares be subject to Cayman Islands income or corporation tax.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our Class A ordinary shares by a U.S. holder (as defined below) that holds our Class A ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based upon existing U.S. federal income tax law, which is subject to differing interpretations and may be changed, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, accrual method taxpayers subject to special tax accounting rules as a result of their use of financial statements, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), investors who are not U.S. holders, investors who own (directly, indirectly, or constructively) 10% or more of our stock, investors that will hold their Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or U.S. holders (as defined below) that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not discuss any non-U.S., alternative minimum tax, state, or local tax or any non-income tax (such as the U.S. federal gift or estate tax) considerations, or the Medicare tax on net investment income. Each U.S. holder is urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. income and other tax considerations of an investment in our Class A ordinary shares.

We urge potential purchasers of our shares to consult their own tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of purchasing, owning and disposing of our Class A ordinary shares.

General

For purposes of this discussion, a “U.S. holder” is a beneficial owner of our Class A ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a U.S. person under applicable U.S. Treasury regulations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our Class A ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our Class A ordinary shares.

For U.S. federal income tax purposes, a U.S. holder of Class A ordinary shares will generally be treated as the beneficial owner of the underlying shares represented by the Class A ordinary shares. The remainder of this discussion assumes that a U.S. holder of our Class A ordinary shares will be treated as the beneficial owner of the underlying shares represented by the Class A ordinary shares. Accordingly, deposits or withdrawals of Class A ordinary shares will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be a “passive foreign investment company,” or “PFIC,” for U.S. federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. Cash is categorized as a passive asset and the company’s unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets.

We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. Although the law in this regard is unclear, for the fiscal year ended June 30, 2025, we treated the consolidated VIEs as being owned by us for U.S. federal income tax purposes, and we treated it that way, not only because we exercised effective control over the operation of such entities but also because we were entitled to substantially all of the economic benefits associated with them, and, as a result, we consolidated their results of operations in our consolidated U.S. GAAP financial statements. Assuming that we were the owner of the VIE (including its subsidiaries) for U.S. federal income tax purposes for the fiscal year ended June 30, 2025, and based upon our current and expected income and assets, including the market price of our Class A ordinary shares, we do not presently expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC in the current or future taxable years, the determination of whether we are or will become a PFIC will depend in part upon the value of our goodwill and other unbooked intangibles (which will depend upon the market price of our Class A ordinary shares from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our current and anticipated market capitalization. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets. If we were treated as not owning the VIE (including its subsidiaries) for U.S. federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because our PFIC status for any taxable year is a factual determination that can be made only after the close of a taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC for any year during which a U.S. holder holds our Class A ordinary shares or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our Class A ordinary shares or ordinary shares.

The discussion below under “Dividends” and “Sale or Other Disposition of Class A ordinary shares” is written on the basis that we will not be or become a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under “Passive Foreign Investment Company Rules.”

Dividends

Subject to the PFIC rules discussed below, any cash distributions paid on our Class A ordinary shares (including the amount of any tax withheld) out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, we will generally report any distribution paid as a dividend for U.S. federal income tax purposes. Dividends received on the Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Individuals and other non-corporate U.S. holders will generally be subject to tax at the lower capital gain tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (1) our Class A ordinary shares are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty, (2) we are neither a PFIC nor treated as such with respect to a U.S. holder for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Since the Class A ordinary shares are listed on the NASDAQ Global Market, we believe that the Class A ordinary shares are readily tradable on an established securities market in the United States and that we are a qualified foreign corporation with respect to dividends paid on the Class A ordinary shares. There can be no assurance that our Class A ordinary shares will continue to be considered readily tradable on an established securities market in later years. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not backed by Class A ordinary shares currently meet the conditions required for the reduced tax rate. However, in the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and in that case, we would be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares as well as our Class A ordinary shares. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our Class A ordinary shares or ordinary shares.

Dividends generally will be treated as income from foreign sources for U.S. foreign tax credit purposes and generally will constitute passive category income. In the event that we are deemed to be a PRC “resident enterprise” under the Enterprise Income Tax Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our Class A ordinary shares. See “Item 10. Additional Information — E.Taxation — PRC Enterprise Income Tax.” In that case, a U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on Class A ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. holders are advised to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of Class A ordinary shares or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder generally will recognize capital gain or loss upon the sale or other disposition of Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder’s adjusted tax basis in such Class A ordinary shares. Any capital gain or loss will be long-term if the Class A ordinary shares have been held for more than one year and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gains of individuals and other non-corporate U.S. holders generally are eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations.

In the event that we are treated as a PRC “resident enterprise” under the Enterprise Income Tax Law and gain from the disposition of the Class A ordinary shares is subject to tax in the PRC, a U.S. holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. If a U.S. holder is not eligible for the benefits of the income tax treaty or fails to make the election to treat any gain as foreign source, then such U.S. holder may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the Class A ordinary shares unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the election to treat any gain as PRC source.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. holder holds our Class A ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, for subsequent taxable years, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the Class A ordinary shares, and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of Class A ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the Class A ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our Class A ordinary shares and any of our non- U.S. subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower tier PFIC for purposes of the application of these rules. U.S. holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to our Class A ordinary shares, provided that the Class A ordinary shares are regularly traded on the NASDAQ Global Market. Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our Class A ordinary shares will generally continue to be subject to the foregoing rules with respect to such U.S. holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

If a U.S. holder makes a mark-to-market election with respect to our Class A ordinary shares, the U.S. holder generally will (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of Class A ordinary shares held at the end of the taxable year over the adjusted tax basis of such Class A ordinary shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the Class A ordinary shares over the fair market value of such Class A ordinary shares held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder's adjusted tax basis in the Class A ordinary shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. Further, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the Class A ordinary shares will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Class A ordinary shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. Only the Class A ordinary shares and not the ordinary shares are listed on the NASDAQ Global Market. Consequently, if a U.S. holder holds ordinary shares that are not represented by Class A ordinary shares, such holder generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. holder owns our Class A ordinary shares during any taxable year that we are a PFIC, such holder would generally be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become a PFIC, including the possibility of making a mark-to-market election.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed with the SEC our registration statement on Form F-1 (Registration No. 333-228510), as amended, including the prospectus contained therein, to register the issuance and sale of our ordinary shares represented by ADSs in relation to our initial public offering. We have also filed with the SEC our registration statement on Form F-6 (Registration No. 333-229521) to register our ADSs.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is June 30 of each year. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest rate risks

Our exposure to interest rate risk primarily relates to the interest income generated by cash in bank and short-term, highly-liquid investments with original maturities of 90 days or less, and interest expenses incurred by short-term borrowing. Interest-earning instruments carry a degree of interest rate risk, and our future interest income may be lower than expected. We have not been exposed nor do we anticipate being exposed to material risks due to changes in interest rates. We have not used any derivative financial instruments to manage our interest risk exposure. Due to changes in market interest rates, our future interest expense may increase and our future interest income may fall short of expectations.

Foreign exchange risks

Substantially all of our revenues and expenses are denominated in RMB. Our exposure to foreign exchange risk primarily relates to the cash and cash equivalents denominated in U.S. dollars that we keep offshore for dividend payments. We have not hedged exposures denominated in foreign currencies using any derivative financial instruments. Although in general, our exposure to foreign exchange risks should be limited, the value of your investment in our Class A ordinary shares will be affected by the foreign exchange rate between U.S. dollars and RMB because the value of our business is effectively denominated in RMB, while the Class A ordinary shares will be traded in U.S. dollars.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the PBOC. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under such policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Removal of the U.S. dollar peg has resulted in an approximately more than 25.0% appreciation of the RMB against the U.S. dollar over the following eight years. In April 2012, the trading band has been widened to 1%, and in March 2014 it was further widened to 2%, which allows the Renminbi to fluctuate against the U.S. dollar by up to 2% above or below the central parity rate published by the PBOC. In August 2015, the PBOC changed the way it calculates the mid-point price of Renminbi against U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. The PRC government may from time to time make further adjustments to the exchange rate system in the future. To the extent that we need to convert our U.S. dollar or other currencies-denominated assets into RMB for our operations, appreciation of the RMB against the U.S. dollar or other currencies would have an adverse effect on the RMB amount we receive from the conversion. We had U.S. dollar-denominated and Hong Kong dollar-denominated financial assets amounting to US\$1.4 million and HKD6.7 million as of June 30, 2025, respectively. A 10% appreciation of the RMB against the U.S. dollar and Hong Kong dollar would have resulted in a total decrease of RMB1.6 million (US\$0.2 million) in the value of our U.S. dollar-denominated and Hong Kong dollar-denominated financial assets. Conversely, if we decide to convert our RMB denominated cash amounts into U.S. dollars amounts or other currencies amounts for the purpose of making payments for dividends on our ordinary shares or Class A ordinary shares or for other business purposes, appreciation of the U.S. dollar or other currencies against the RMB would have a negative effect on the U.S. dollar or other currencies amount available to us.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

On June 20, 2025, we terminated the American depositary receipt facility for our ADSs and ceased the listing of the ADSs on Nasdaq. On June 23, 2025, our Class A ordinary shares commenced trading on Nasdaq in substitution for the ADSs. As a result of this, there are no outstanding ADSs as of June 30, 2025.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There has been no default of any indebtedness nor is there any arrearage in the payment of dividends.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information—B. Memorandum and Articles of Association—Ordinary Shares” for a description of the rights of securities holders.

By passing resolutions at the Extraordinary General Meeting of Shareholders on March 13, 2024, the Company had re-designated 50,000,000 of its authorized but unissued ordinary shares of par value of \$0.001 each (the “Ordinary Shares”) as 50,000,000 preference shares of par value of \$0.001 each (the “Preference Shares”) and amended and restated its existing memorandum and articles of association as the third amended and restated memorandum and articles of association.

By passing resolutions at the Extraordinary General Meeting of Shareholders and separate Class Meeting of the holders of ordinary shares of the Company on October 31, 2024, the Company had amended its authorized share capital to US\$5,000,000 divided into 5,000,000,000 shares consisting of (i) 4,000,000,000 Class A ordinary shares of a nominal or par value of US\$0.001 each (the “Class A Ordinary Shares”); and (ii) 1,000,000,000 Class B ordinary shares of a nominal or par value of US\$0.001 each (the “Class B Ordinary Shares”), and amended and restated its existing memorandum and articles of association as the fifth amended and restated memorandum and articles of association.

By passing resolutions at the Extraordinary General Meeting of Shareholders and separate Class Meeting of the holders of ordinary shares of the Company on June 3, 2025, effective immediately following the Share Consolidation at a ratio of one-for-ninety on June 20, 2025, our authorized share capital was increased to US\$450,000,000, divided into 5,000,000,000 shares, consisting of 4,000,000,000 Class A ordinary shares (par value US\$0.09 each), and 1,000,000,000 Class B ordinary shares (par value US\$0.09 each).

As of the date of this report, pursuant to the fifth amended and restated memorandum and articles of association, the Company is authorized to issue 4,000,000,000 Class A Ordinary Shares and 1,000,000,000 Class B Ordinary shares. Each holder of a Class A Ordinary Share shall have one (1) vote for each Class A Ordinary Share and each holder of the Class B Ordinary Shares shall have one hundred (100) votes for each Class B Ordinary Share.

See the disclosure regarding the third amended and restated memorandum and articles of association and issuance of Preference Shares contained in the Explanatory Note and Exhibit 3.1 to the Form 6-K filed with the SEC on March 13, 2024, which are incorporated herein by reference.

See the disclosure regarding the fourth amended and restated memorandum and articles of association and issuance of Class A ordinary shares and Class B ordinary shares contained in the Explanatory Note and Exhibit 3.1 to the Form 6-K filed with the SEC on October 31, 2024, which are incorporated herein by reference.

See the disclosure regarding the fifth amended and restated memorandum and articles of association in Exhibit 1.4 to this annual report.

B. Use of Proceeds

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon this evaluation, our management, with the participation of our chief executive officer and chief financial officer, has concluded that, as of June 30, 2024, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in by the SEC's rules and forms, and that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such item is defined in Rules 13a-15(f) under the Exchange Act, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company's assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the SEC, our management assessed the effectiveness of the internal control over financial reporting as of June 30, 2025, using criteria established in "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, management concluded that our internal control over financial reporting was effective as of June 30, 2025 based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Attestation Report of the Independent Registered Public Accounting Firm

Our independent registered public accounting firm, Enrome LLP, has audited the effectiveness of our company's internal control over financial reporting as of June 30, 2025, as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

C. Changes in Internal Control over Financial Reporting

As required by Rule 13a-15(d), under the Exchange Act, our management, including our chief executive officer and our chief financial officer, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the period covered by this report have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, it has been determined that there were no changes in our internal control over financial reporting that occurred during the year ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Ms. Pei Yu, the chair of our audit committee and an independent director (under the standards set forth in Rule 5605(c)(2) of the Nasdaq Stock Market Rules and Rule 10A-3 under the Securities Exchange Act of 1934), is audit committee financial expert.

ITEM 16B. CODE OF ETHICS

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers and employees in November 2018. We have posted a copy of our code of business conduct and ethics on our website at [website https://ir.maaseai.com/](https://ir.maaseai.com/).

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

On January 23, 2025, we engaged Enrome LLP (PCAOB No.6907) (“Enrome”) as our independent registered public accounting firm, and dismissed Deloitte Touche Tohmatsu Certified Public Accountants LLP (PCAOB No. 1113) (“Deloitte”) which we engaged on March 29, 2024 to replace Marcum Asia CPAs LLP. See also “Item 16F. Change in Registrant’s Certifying Accountant.” The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Marcum Asia CPAs LLP, Deloitte and Enrome for the periods indicated.

	For the fiscal year ended June 30,	
	2024	2025
	USD	USD
	(in thousands)	
Audit Fees		
–Marcum Asia CPAs LLP	72	30
–Deloitte Touche Tohmatsu Certified Public Accountants LLP	350	100
–Enrome LLP	-	140
Total Fees	422	270

Audit Fees

Audit Fees means the aggregate fees incurred in each of the fiscal years listed for professional services rendered by our principal auditor for the audit or review of our annual financial statements or quarterly financial information and review of documents filed with the SEC. The amount included VAT.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services as described above, which are approved by the Audit Committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Change of Certifying Accountant in January 2025

On January 23, 2025, we engaged Enrome as our independent registered public accounting firm, and dismissed Deloitte. The change of our independent registered public accounting firm had been approved by our board and the audit committee of our board, and the decision was not made due to any disagreements between us and Deloitte.

The report of Deloitte on our consolidated financial statements for the fiscal year ended June 30, 2024 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended June 30, 2024 and the subsequent interim period through January 23, 2025, there have been no (i) disagreements between us and Deloitte on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedure, which disagreements if not resolved to the satisfaction of Deloitte would have caused them to make reference thereto in their reports on the consolidated financial statements for such years, or (ii) reportable events as defined in Item 16F(a)(1)(v) of the instructions to Form 20-F.

We have also provided Deloitte with a copy of the disclosures in Form 6-K filed with the Commission on January 23, 2025 and here under this Item 16F as required under Item 16F of Form 20-F and requested from Deloitte a letter addressed to the SEC indicating whether it agrees with such disclosures. A copy of Deloitte's letter dated January 23, 2025 was attached as Exhibit 15.8 in our annual report on Form 20-F filed with the Commission on October 29, 2025.

During the fiscal years ended June 30, 2024 and the subsequent interim period through January 23, 2025, neither we nor anyone on behalf of us has consulted with Enrome regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Enrome concluded was an important factor considered by us in reaching a decision as to any accounting, audit, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

Change of Certifying Accountant in March 2024

On March 29, 2024, we engaged Deloitte as our independent registered public accounting firm, and dismissed Marcum Asia CPAs LLP. The change of our independent registered public accounting firm had been approved by our board and the audit committee of our board, and the decision was not made due to any disagreements between us and Marcum Asia CPAs LLP.

The reports of Marcum Asia CPAs LLP on our consolidated financial statements for the fiscal years ended June 30, 2023 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended June 30, 2023 and the subsequent interim period through March 29, 2024, there have been no (i) disagreements between us and Marcum Asia CPAs LLP on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedure, which disagreements if not resolved to the satisfaction of Marcum Asia CPAs LLP would have caused them to make reference thereto in their reports on the consolidated financial statements for such years, or (ii) reportable events as defined in Item 16F(a)(1)(v) of the instructions to Form 20-F.

We have provided Marcum Asia CPAs LLP with a copy of the disclosures in Form 6-K filed with the Commission on April 2, 2024 and here under this Item 16F as required under Item 16F of Form 20-F and requested from Marcum Asia CPAs LLP a letter addressed to the SEC indicating whether it agrees with such disclosures. A copy of Marcum Asia CPAs LLP's letter dated April 2, 2024 was attached as Exhibit 15.7 in our annual report on Form 20-F filed with the Commission on November 15, 2024.

During the fiscal years ended June 30, 2023 and the subsequent interim period through March 29, 2024, neither we nor anyone on behalf of us has consulted with Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, audit, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE

Rule 5635(c) of the Nasdaq Rules requires a Nasdaq-listed company to obtain its shareholders' approval of all equity compensation plans, including stock plans, and any material amendments to such plans. Nasdaq Stock Market Rule 5620(a) requires each issuer to hold an annual meeting of shareholders no later than one year after the end of the issuer's fiscal year-end. However, Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers (Hong Kong), our Cayman Islands counsel, has provided a letter to the Nasdaq Stock Market certifying that under Cayman Islands law, we are not required to hold annual shareholder meetings every year. We followed home country practice with respect to annual meetings and did not hold an annual meeting of shareholders. However, we held extraordinary general meetings on March 13, 2024, October 31, 2024 and June 3, 2025, respectively, and obtained requisite shareholders' approval on various matters including change of Company's name, adoption of a dual-class share structure, share consolidation and share capital increase. We may hold annual or extraordinary shareholder meetings in the future if there are significant issues that require shareholders' approvals.

On February 20, 2024, our board of directors adopted a share incentive plan under which we have reserved 111,165,518 ordinary shares (equivalent to approximately 1,235,173 Class A ordinary shares after the Share Consolidation) for issuance, which was approximately 30% of our outstanding ordinary shares as of December 31, 2023.

Pursuant to the Nasdaq Stock Market Rule 5635(c), shareholder approval is required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, except for a few situations stated thereunder. In relations to the 2024 Share Incentive Plan mentioned above, Walkers (Hong Kong), our Cayman Island counsel, has provided letters to the Nasdaq Stock Market certifying that under Cayman Islands law, we are not required to obtain shareholder approval in respect of the issuance of securities in the circumstances set out in Nasdaq Stock Market Rule 5635(c). We follow home country practices accordingly. Other than the annual meeting, share purchase plan to employees practices and the independent director majority requirement and compensation committee requirement described above, there are no significant differences between our corporate governance practices and those followed by U.S. domestic companies under Nasdaq Stock Market Rules.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

In March 2019, an insider trading policy was adopted by our board of directors and subsequently amended on March 15, 2023, governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, and employees, to promote compliance with insider trading laws, rules and regulations, and Nasdaq listing standards applicable to us. Our insider trading policy is filed as Exhibit 11.2 to our annual report on Form 20-F filed with the Commission on November 15, 2024.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We rely increasingly on information technology systems and network infrastructure to conduct operations and engage with our customers and business partners. As the complexity of our engagements grows, so do the potential threats from cyber intrusion, ransomware, denial of service, phishing, account takeover, data manipulation, and other cyber misconduct. To counter these threats, we have implemented comprehensive cybersecurity risk assessment procedures and taken various measures to ensure their effectiveness in reporting and managing cybersecurity risks. We have also integrated cybersecurity risk management procedures into our overall risk management system.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external threats. This system encompasses various operational levels, including access management, network management, system maintenance, data integrity, and proper use of information resources. We strive to manage cybersecurity risks and protect sensitive information through various means and processes, including, but not limited to, the following: (i) an incident response team designated to assess, contain, and mitigate the potentially harmful effects of cybersecurity incidents, including developing a comprehensive plan outlining the appropriate steps of incident response and disciplinary measures to be implemented upon the occurrence of such incidents, (ii) access control protocols based on a “least privilege” principle, which allows user access only to the resources necessary to perform their respective function(s); (iii) network security monitoring, including firewalls, Intrusion Detection Systems (IDS) and other programs to monitor suspect activity on our network, (iii) regular updates to keep our software and systems current through the use of automated patching solutions, and monitor news sources, industry consortia, and vendors for updates and threat information, and (iv) periodic review of information security controls by internal and external staff, and regular training sessions on information security conducted for employees. In addition, we work with third-party cybersecurity professionals to guide and support our cybersecurity management efforts. We have implemented information technology access control procedures to oversee and identify cybersecurity risks associated with our third-party service providers. For example, third-party access may be evaluated and approved by the director of technical department on a case-by-case basis and granted strictly in accordance with the “least privilege” principle, after such third parties have undergone a background check or other due-diligence process. Any third-party service providers connecting to our network must demonstrate that they are capable of maintaining appropriate safeguards to comply with applicable cybersecurity laws and regulations.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

The audit committee of our board of directors is responsible for overseeing the Company's risk management processes and the implementation of our cybersecurity policy. The board and the audit committee are aware of the rapidly evolving nature of threats presented by cybersecurity incidents and are committed to the prevention, timely detection, and mitigation of the effects of cybersecurity incidents on the Company. The audit committee shall review, approve and maintain oversight of the disclosure (i) on Form 6-K for material cybersecurity incidents (if any) and (ii) related to cybersecurity matters in the periodic reports (including annual report on Form 20-F) of the Company. The audit committee routinely provides updates to the board on the matters related to cybersecurity, and is responsible for reviewing and evaluating the sufficiency of our cybersecurity policy and proposing any necessary changes to the board for approval.

The audit committee also receives regular reports and updates from the director of technical department, such as the internal and external cybersecurity threat landscape, material risks arising from cybersecurity threats, and any material cybersecurity incidents.

Our management is committed to cybersecurity risk management. The head of our technology department, Mr. Guohong Luo, who leads a dedicated cybersecurity team, is responsible for assessing and managing cybersecurity risks and monitoring the prevention, detection, mitigation, and remediation of cybersecurity incidents related to Maase's legacy IT system. Mr. Luo has over 10 years of experiences in the field including in application, infrastructure, development, security and governance. He directly reports to our chief executive officer. Currently, AIFU's information technology systems are maintained by its own IT team, and AIFU's head of information technology department is responsible for assessing and managing cybersecurity risks and monitoring the prevention, detection, mitigation, and remediation of cybersecurity incidents related to AIFU's legacy IT system. He has over 18 years of experiences in in application, infrastructure, development, security and governance. He reports to AIFU's chief executive officer and provides timely and routine updates to the audit committee on any material cybersecurity incidents.

Although we have implemented various measures to mitigate cybersecurity threats, we cannot guarantee that cybersecurity risks will be completely eliminated, and we may from time to time be exposed to risks from cybersecurity threats. As of the date of this annual report, we have not experienced any cybersecurity incidents or identified any risks from cybersecurity threats that have affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The financial statements are filed as part of this annual report beginning on page F-1.

ITEM 19. EXHIBITS

Exhibit No.	Description
1.1	Second Amended and Restated Memorandum and Articles of Association of the Registrant, effective March 19, 2019 (incorporated herein by reference to Exhibit 3.2 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
1.2	Third Amended and Restated Memorandum and Articles of Association of the Registrant, effective March 13, 2024 (incorporated herein by reference to Exhibit 3.1 to Form 6-K filed on March 13, 2024 (File No. 001-38813))
1.3	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant, effective October 31, 2024 (incorporated herein by reference to Exhibit 3.1 to Form 6-K filed on October 31, 2024 (File No. 001-38813))
1.4*	Fifth Amended and Restated Memorandum and Articles of Association of the Registrant, effective June 23, 2025
2.1*	Registrant's Specimen Certificate for Class A Ordinary Shares
2.2*	Description of Securities
4.1	Form of Employment Agreement between the Registrant and its chief executive officers (incorporated herein by reference to Exhibit 10.14 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.2	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.15 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.3	Exclusive Technology and Consultancy Services Agreement between Puyi Enterprises Management Consulting Co., Ltd. and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018 (incorporated herein by reference to Exhibit 10.16 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.4	Equity Interest Pledge Agreement among Puyi Enterprises Management Consulting Co., Ltd., Yu Haifeng, Yang Yuanfen and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018 (incorporated herein by reference to Exhibit 10.17 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.5	Exclusive Option Agreement among Puyi Enterprises Management Consulting Co., Ltd., Haifeng Yu, Yuanfen Yang and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018 (incorporated herein by reference to Exhibit 10.18 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.6	Spouse Consent Letter provided by Xiao Qi, Yu Haifeng's spouse, dated September 6, 2018 (incorporated herein by reference to Exhibit 10.19 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.7	Spouse Consent Letter provided by Cheng Jianping, Yang Yuanfen's spouse, dated September 6, 2018 (incorporated herein by reference to Exhibit 10.20 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.8	Powers of Attorney granted by Yu Haifeng dated September 6, 2018 (incorporated herein by reference to Exhibit 10.21 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.9	Powers of Attorney granted by Yang Yuanfen dated September 6, 2018 (incorporated herein by reference to Exhibit 10.22 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))

4.10	Supplemental Agreement to Exhibit 10.24 to the Form F-1, dated September 19, 2018 (incorporated herein by reference to Exhibit 10.25 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.11	2018 Share Incentive Plan (incorporated herein by reference to Exhibit 10.27 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
4.12	2024 Share Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the Form S-8, as amended, initially filed on March 11, 2024 (File No. 333-277814))
4.13	Equity Interest Transfer Agreement between Yang Yuanfen and Puyi Enterprises Management Consulting Co., Ltd. dated June 30, 2023 (incorporated herein by reference to Exhibit 4.29 to the Form 20-F, as amended, initially filed on September 25, 2023 (File No. 001-38813))
4.14	Form of Securities Agreement with Certain Shareholders of AIFU dated December 27, 2023 (incorporated herein by reference to Exhibit 10.1 to Form 6-K filed on December 27, 2023 (File No. 001-38813))
4.15	English translation of Share Transfer Agreement between Chengdu Puyi Bohui Information Technology Co., Ltd. and Beijing Fanlian Investment Co., Ltd., dated December 22, 2023 (incorporated herein by reference to Exhibit 4.33 to the Form 20-F, filed on November 15, 2024 (File No. 001-38813))
4.16	Form of Share Subscription Agreement, made between Highest Performances Holdings Inc. and Sea Synergy Limited (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on January 6, 2025)
4.17	Form of Share Subscription Agreement dated December 30, 2024, made between Highest Performances Holdings Inc. and Moonlit Group Ltd. (incorporated by reference to Exhibit 10.2 of our Form 6-K filed with the Commission on January 6, 2025)
4.18	Form of Share Subscription Agreement dated December 30, 2024, between Highest Performances Holdings Inc. and Equality Group Ltd. (incorporated by reference to Exhibit 10.3 of our Form 6-K filed with the Commission on January 6, 2025)
4.19	Form of Share Purchase and Sale Agreement dated May 8, 2025, between Highest Performances Holdings Inc. and each of Great Name Group Limited, American Magpie News Company Limited, Innovation Global Financial Group Limited and QT Management Company Limited. (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on May 8, 2025)
4.20	Form of Securities Purchase Agreement dated July 3, 2025, between Maase Inc. and certain investors (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on July 3, 2025)
4.21	Form of Warrant (incorporated by reference to Exhibit 4.1 of our Form 6-K filed with the Commission on July 3, 2025)
4.22	Transaction Agreement dated as of July 18, 2025, entered by and made among Maase Inc., Ace Long Limited, Arts Wing Limited and Real Prospect Limited (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on July 18, 2025)
4.23	Transaction Agreement dated as of July 28, 2025, entered by and made among Maase Inc., Golden Brighter Limited, WJ Management Limited, Union Chief Limited and Carve Group Ltd. (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on July 29, 2025)
4.24	Shares Sales and Purchases Agreement dated September 12, 2025, by and between Echoes Group Ltd and Puyi Group Limited (incorporated by reference to Exhibit 10.1 of our Form 6-K filed with the Commission on September 18, 2025)
8.1*	Subsidiaries and Affiliated Entities of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the Form F-1, as amended, initially filed on November 21, 2018 (File No. 333-228510))
11.2	Insider Trading Policy (incorporated herein by reference to Exhibit 11.2 of the Form 20-F filed with the Commission on November 15, 2024)
12.1*	CEO Certificate Pursuant to Section 302 of Sarbanes-Oxley Act of 2002
12.2*	CFO Certificate Pursuant to Section 302 of Sarbanes-Oxley Act of 2002
13.1**	CEO Certificate Pursuant to Section 906 of Sarbanes-Oxley Act of 2002
13.2**	CFO Certificate Pursuant to Section 906 of Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers (Hong Kong)
15.2*	Consent of ETR Law Firm
15.3*	Consent of Hai Run Law Firm
15.4*	Consent of Marcum Asia CPAs LLP
15.5*	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP
15.6*	Consent of Enrome LLP
15.7	Letter from Marcum Asia CPAs LLP to the Securities and Exchange Commission, dated April 2, 2024 (incorporated by reference to Exhibit 16.1 of our Form 6-K filed with the Commission on April 2, 2024)
15.8	Letter from Deloitte Touche Tohmatsu Certified Public Accountants LLP to the Securities and Exchange Commission, dated January 23, 2025 (incorporated by reference to Exhibit 16.1 of our Form 6-K filed with the Commission on January 23, 2025)
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 of our annual report on Form 20-F filed with the Commission on November 15, 2024)
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith

SIGNATURES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

October 29, 2025

Maase Inc.

BY: /s/ Zhou Min
Zhou Min
Vice-Chairwoman of the Board, Chief Executive Officer

MAASE INC. (formerly known as Highest Performances Holdings Inc. or Puyi Inc.)
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS	Page
<u>Report of Independent Registered Public Accounting Firm - Enrome LLP (PCAOB No. 6907)</u>	F-2
<u>Report of Independent Registered Public Accounting Firm - Deloitte Touche Tohmatsu Certified Public Accountants LLP (PCAOB No. 1113)</u>	F-5
<u>Report of Independent Registered Public Accounting Firm - Marcum Asia CPAs LLP (PCAOB No. 5395)</u>	F-6
<u>Consolidated Balance Sheets as of June 30, 2024 and 2025</u>	F-7
<u>Consolidated Statements of Operations and Comprehensive Loss for the Years Ended June 30, 2023, 2024 and 2025</u>	F-10
<u>Consolidated Statements of Shareholders' Equity for the Years Ended June 30, 2023, 2024 and 2025</u>	F-12
<u>Consolidated Statements of Cash Flows for the Years Ended June 30, 2023, 2024 and 2025</u>	F-15
<u>Notes to the Consolidated Financial Statements</u>	F-17
<u>Schedule I—Condensed Financial Information of Maase Inc.</u>	F-83

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Maase Inc. (formerly known as Highest Performances Holdings Inc. or Puyi Inc.)

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Maase Inc. (the “Company”) and its subsidiaries (the “Group”) as of June 30, 2025, the related consolidated statements of operations and comprehensive loss, changes in shareholders’ equity, and cash flows, for the year ended June 30, 2025, and the related notes and schedule I (collectively referred to as the “consolidated financial statements”). We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Group’s internal control over financial reporting as of June 30, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of June 30, 2025, and the results of its operations and its cash flows for the year ended June 30, 2025, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Also, in our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of June 30, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the COSO.

Convenience Translation

Our audits also comprehended the translation of Renminbi amounts into United States dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2(v) to the consolidated financial statements. Such United States dollar amounts are presented solely for the convenience of readers outside of People’s Republic of China.

Basis for Opinions

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue recognition: Estimate of variable renewal commissions for long-term life insurance products and impact on revenue recognized — Refer to Note 2(r) to the consolidated financial statements

Critical Audit Matter Description

The agency revenues recognized for the life insurance business include estimated variable renewal commissions for long-term life insurance products. As described in Note 2(r) to its consolidated financial statements, the Group uses the expected value method and considers constraints as well to estimate variable renewal commissions, which are contingent on future renewals of initial policies or achievement of certain performance targets. Given the material uncertainty around the future renewal of the insurance policies, the estimated renewal commissions expected to be collected are recognized as revenue only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is subsequently resolved.

Auditing management's determination of estimated variable renewal commissions was complex and highly judgmental due to the complexity of the models used and the subjectivity required by the Group to estimate the amount for future renewals of policies, calculate the amount of commission revenue that is probable of not being reversed, and determine the timing and amount of any revenue adjustment that results from changes in the estimates of previously recorded estimated renewal commissions. The Group utilizes statistical methodologies to estimate renewal rate(s), which is a key driver when estimating the amount of future renewals of policies. To determine the constraint to be applied to estimated renewal commissions, the Group evaluates historical experiences and data and applies judgment. For the ongoing evaluation of assumptions, the Group also analyzes whether circumstances have changed and considers any known or potential modifications to the inputs into estimated renewal commissions model and the factors that can impact the amount of renewal commissions expected to be collected in future periods such as commission rates, insurance products composition, renewal terms of insurance products and changes in relevant laws and regulations. The judgment and assumptions are continuously re-evaluated and adjusted as needed along with the accumulation of historical experiences and data when new information becomes available.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (continued)

To the Shareholders and the Board of Directors of Maase Inc. (formerly known as Highest Performances Holdings Inc. or Puyi Inc.) (continued)

Critical Audit Matters (continued)

Revenue recognition: Estimate of variable renewal commissions for long-term life insurance products and impact on revenue recognized -- Refer to Note 2(r) to the financial statements (continued)

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of the reasonableness of the Group's estimate of variable renewal commissions for long-term life insurance products discussed above included the following, among others:

- We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls over the Group's process to estimate variable renewal commissions for long-term life insurance products.
- We evaluated of the appropriateness of the methodology, including the determination of portfolio of contracts, and assumptions used by management to estimate variable renewal commissions by benchmarking the methods and assumptions against general market practice within the insurance industry.
- We tested the completeness and accuracy of the underlying data that served as the basis for our substantial analytical procedures.
- We developed a range of independent estimates and comparing those to the renewal rate selected by management for evaluating the reasonableness of management's assumptions.
- We performed substantive analytical procedures by developing an independent expectation for comparison to the Group's estimate applying our own methods as well as assumptions with the Group's data, and evaluation of significant unexpected differences, if any.
- We performed retrospective review to compare the actual realized renewal commissions with the estimated value that has been recognized as revenues.

/s/ Enrome LLP

Singapore
October 29, 2025

We have served as the Group's auditor since 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Maase Inc.

Opinions on the Financial Statements

We have audited, before the effects of the retrospective adjustments for the discontinued operations discussed in Note 4, the reverse stock split discussed in Note 19 and the change in the composition of reportable segments and the adoption of ASU 2023-07 discussed in Note 26 to the consolidated financial statements, the consolidated balance sheet of Maase Inc. (formerly known as “Highest Performances Holdings Inc.”) and its subsidiaries (the “Company”) as of June 30, 2024, the related consolidated statements of operations and comprehensive loss, shareholders’ equity, and cash flows, for the year ended June 30, 2024, and the related notes and schedule I (collectively referred to as the “financial statements”) (the 2024 financial statements before the effects of the retrospective adjustments discussed in Note 4, Note 19 and Note 26 to the financial statements are not presented herein). In our opinion, the 2024 financial statements, before the effects of the retrospective adjustments discussed in Note 4, Note 19 and Note 26 to the financial statements, present fairly, in all material respects, the financial position of the Company as of June 30, 2024, and the results of its operations and its cash flows for the year ended June 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

We were not engaged to audit, review, or apply any procedures to the retrospective adjustments for the discontinued operations discussed in Note 4, the reverse stock split discussed in Note 19 and the change in the composition of reportable segments and the adoption of ASU 2023-07 discussed in Note 26 to the consolidated financial statements, and accordingly, we do not express an opinion or any other form of assurance about whether such retrospective adjustments are appropriate and have been properly applied. Those retrospective adjustments were audited by the successor auditor.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shenzhen, the People’s Republic of China
November 15, 2024

We began serving as the Company’s auditor in 2024. In 2025, we became the predecessor auditor.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Maase Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows of Maase Inc. (formerly known as "Highest Performances Holdings Inc." and "Puyi Inc.") (the "Company"), for the year ended June 30, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum Asia CPAs LLP

Marcum Asia CPAs LLP

We have served as the Company's auditor from 2018 to 2023.

New York, New York

September 25, 2023, except for the effects of the revision discussed in Note 2(ad) as to which the date is November 15, 2024.

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MAASE INC.
Consolidated Balance Sheets
(In thousands, except for shares and per share data)

	As of June 30,		
	2024 RMB	2025 RMB	2025 US\$ Note 2(v)
ASSETS:			
Current assets:			
Cash and cash equivalents	220,286	82,104	11,461
Restricted cash (including restricted cash of the consolidated VIEs and VIEs' subsidiaries that can only be used to settle obligations of the VIEs of RMB 10,409 and RMB3,864 as of June 30, 2024 and 2025, respectively)	47,920	6,873	959
Short term investments (including investments measured at fair value of RMB570,216 and RMB548,101 as of June 30, 2024 and 2025, respectively)	573,903	548,101	76,512
Accounts receivable, net of allowances of RMB886 and RMB2,291 as of June 30, 2024 and 2025, respectively	188,172	92,766	12,950
Contract assets, net of allowances of RMB21 and nil as of June 30, 2024 and 2025, respectively	323,222	208,824	29,151
Other receivables, net	23,376	920,212	128,457
Loan receivables, net	774,051	318,617	44,477
Other current assets	39,323	23,919	3,339
Current assets of discontinued operations	195,054	-	-
Total current assets	2,385,307	2,201,416	307,306
Non-current assets:			
Restricted bank deposit - non-current (including restricted cash of the consolidated VIEs and VIEs' subsidiaries that can only be used to settle obligations of the VIEs of RMB7,804 and nil as of June 30, 2024 and 2025, respectively)	25,256	16,338	2,281
Contract assets - non-current, net of allowances of nil and nil as of June 30, 2024 and 2025, respectively	726,879	612,918	85,560
Property, plant, and equipment, net	79,581	70,530	9,846
Intangible assets, net	417,567	846	118
Goodwill, net	116,168	-	-
Deferred tax assets	30,250	9,407	1,313
Investments in affiliates	8,517	-	-
Other non-current assets	218,832	392,564	54,800
Right of use assets	105,201	61,958	8,649
Non-current assets of discontinued operations	164,320	-	-
Total non-current assets	1,892,571	1,164,561	162,567
Total assets	4,277,878	3,365,977	469,873

MAASE INC.
Consolidated Balance Sheets - (continued)
(In thousands, except for shares and per share data)

	As of June 30,		
	2024 RMB	2025 RMB	2025 US\$ Note 2(v)
LIABILITIES, MEZZANINE EQUITY AND EQUITY:			
Current liabilities:			
Short-term loan	98,375	82,050	11,454
Accounts payable (including accounts payable of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB5,053 and RMB1,768 as of June 30, 2024 and 2025, respectively)	194,358	116,665	16,286
Accrued commissions (including accrued commissions of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB535 and RMB nil as of June 30, 2024 and 2025, respectively)	148,134	99,923	13,949
Other payables and accrued expenses (including other payables and accrued expenses of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB4,175 and RMB1,200 as of June 30, 2024 and 2025, respectively)	170,311	155,553	21,714
Accrued payroll (including accrued payroll of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB6,242 and RMB1,938 as of June 30, 2024 and 2025, respectively)	30,113	13,193	1,842
Income taxes payable (including income taxes payable of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB7,132 and RMB nil as of June 30, 2024 and 2025, respectively)	88,940	77,305	10,791
Current operating lease liability (including current operating lease liability of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB4,967 and RMB1,124 as of June 30, 2024 and 2025, respectively)	47,271	29,271	4,086
Other current liabilities (including other current liabilities of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of RMB10,212 and RMB nil as of June 30, 2024 and 2025, respectively)	10,505	34	5
Current liabilities of discontinued operations (including current liabilities of discontinued operations of the consolidated VIEs and VIEs' subsidiaries without recourse to the Company of nil and nil as of June 30, 2024 and 2025, respectively)	62,980	-	-
Total current liabilities	850,987	573,994	80,127

MAASE INC.
Consolidated Balance Sheets - (continued)
(In thousands, except for shares and per share data)

	As of June 30,		
	2024 RMB	2025 RMB	2025 US\$ Note 2(v)
Non-current liabilities:			
Accrued commissions – non-current (including accrued commissions of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of RMB1,768 and RMB nil as of June 30, 2024 and 2025, respectively)	408,416	339,481	47,390
Other tax liabilities (including other tax liability of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of RMB33,502 and RMB4,300 as of June 30, 2024 and 2025, respectively)	41,442	30,160	4,210
Deferred tax liabilities (including deferred tax liabilities of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of RMB4,317 and RMB nil as of June 30, 2024 and 2025, respectively)	235,519	204,310	28,521
Non-current operating lease liability (including non-current operating lease liability of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of RMB3,306 and RMB2,646 as of June 30, 2024 and 2025, respectively)	53,856	29,924	4,177
Other non-current liabilities (including other non-current liabilities of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of RMB639 and RMB nil as of June 30, 2024 and 2025, respectively)	33,374	-	-
Non-current liabilities of discontinued operations (including non-current liabilities of discontinued operations of the consolidated VIEs and VIEs’ subsidiaries without recourse to the Company of nil and nil as of June 30, 2024 and 2025, respectively)	14,576	-	-
Total non-current liabilities	787,183	603,875	84,298
Total liabilities	1,638,170	1,177,869	164,425
Commitments and contingencies			
Mezzanine equity:			
Redeemable ordinary shares (US\$0.09 par value, 22,175 and 22,175 Class A ordinary shares issued and outstanding as of June 30, 2024 and 2025, respectively) (Note 18)*	45,794	47,935	6,691
Shareholders’ Equity:			
Class A ordinary shares (Authorized shares:40,000,000 at US\$0.09 each; issued 4,162,059 and 9,273,208 shares, of which 4,117,242 and 9,228,398 shares were outstanding as of June 30, 2024 and 2025, respectively)*	2,617	5,973	833
Class B Ordinary shares (Authorized shares:10,000,000 at US\$0.09 each; issued and outstanding nil and 6,666,668 shares as of June 30, 2024 and 2025, respectively)	-	4,379	612
Treasury stock	(29)	(29)	(4)
Additional paid-in capital	1,583,017	1,125,933	157,174
Statutory reserves	23,064	23,216	3,241
Accumulated deficit	(321,254)	(517,369)	(72,222)
Accumulated other comprehensive loss	(2,293)	(6,012)	(839)
Total Maase Inc. shareholders’ equity	1,285,122	636,091	88,795
Noncontrolling interests	1,308,792	1,504,082	209,962
Total shareholders’ equity	2,593,914	2,140,173	298,757
Total liabilities, mezzanine equity and shareholders’ equity	4,277,878	3,365,977	469,873

* Giving retroactive effect to the 1-for-90 reverse share split effected on June 23, 2025

The accompanying notes are an integral part of the consolidated financial statements.

MAASE INC.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except for shares and per share data)

	Year Ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$ Note 2(v)
Net revenues:				
Agency	-	900,246	727,538	101,560
Life insurance business	-	827,803	625,099	87,260
Non-life insurance business	-	72,443	102,439	14,300
Wealth management and others	114,440	62,966	53,678	7,492
Total net revenues	114,440	963,212	781,216	109,052
Operating costs and expenses:				
Agency	-	(551,247)	(391,102)	(54,596)
Life insurance business	-	(504,866)	(314,639)	(43,922)
Non-life insurance business	-	(46,381)	(76,463)	(10,674)
Wealth management and others	(20,285)	(17,031)	(6,257)	(873)
Total operating costs	(20,285)	(568,278)	(397,359)	(55,469)
Selling expenses	(60,560)	(76,733)	(77,120)	(10,764)
General and administrative expenses	(92,399)	(355,252)	(556,780)	(77,724)
Total operating costs and expenses	(173,244)	(1,000,263)	(1,031,259)	(143,957)
Impairment loss	-	(426,410)	(441,298)	(61,603)
Loss from operations	(58,804)	(463,461)	(691,341)	(96,508)
Other income (loss), net:				
Gain on disposal of subsidiaries	-	-	897,398	125,272
Net loss from fair value change	-	(73,761)	(279)	(39)
Derecognition of a contingent consideration	-	-	(22,267)	(3,108)
Investment income related to the realized gain on available-for-sale investments	13,561	22,016	27,502	3,839
Interest income, net	8,591	16,251	28,297	3,950
Others, net	1,660	(2,149)	(591,676)	(82,595)
Loss before income taxes and share of loss of affiliates	(34,992)	(501,104)	(352,366)	(49,189)
Income tax benefit (expense)	(8,585)	(13,526)	19,642	2,742
Share of loss of affiliates	-	(1,218)	(3,834)	(535)
Net loss from continuing operations	(43,577)	(515,848)	(336,558)	(46,982)
Net Income (loss) from discontinued operations, net of tax	-	3,777	(122,344)	(17,078)
Net loss	(43,577)	(512,071)	(458,902)	(64,060)
Less: net loss attributable to the noncontrolling interests				
Continuing operations	-	(224,476)	(172,676)	(24,105)
Discontinued operations	-	2,075	(90,263)	(12,598)
Net loss attributable to owners of the Company	(43,577)	(289,670)	(195,963)	(27,357)
Continuing operations	(43,577)	(291,372)	(163,882)	(22,877)
Discontinued operations	-	1,702	(32,081)	(4,480)
Distributed earnings:				
Accretion of redeemable ordinary shares	-	(826)	(2,141)	(297)
Net loss attributable to ordinary shareholders of the Company	(43,577)	(290,496)	(198,104)	(27,654)

MAASE INC.
Consolidated Statements of Operations and Comprehensive Loss - (continued)
(In thousands, except for shares and per share data)

	Year Ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$
				Note 2(v)
Net loss per share attributable to ordinary shareholders of the Company- Basic *:				
Continuing operations	(43.350)	(112.982)	(21.817)	(3.046)
Discontinued operations	-	0.658	(4.216)	(0.588)
Total basic	(43.350)	(112.324)	(26.033)	(3.634)
Net loss per share attributable to ordinary shareholders of the Company- Diluted				
*:				
Continuing operations	(43.350)	(114.205)	(21.645)	(3.022)
Discontinued operations	-	0.658	(4.216)	(0.588)
Total diluted	(43.350)	(113.547)	(25.861)	(3.610)
Shares used in calculating net income per share*:				
Basic:	1,005,244	2,586,237	7,609,798	7,609,798
Diluted:	1,005,244	2,586,237	7,609,798	7,609,798
Net loss	(43,577)	(512,071)	(458,902)	(64,060)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	560	583	(1,536)	(214)
Unrealized net loss on available-for-sale investments	-	(3,043)	(2,178)	(304)
Disposal of subsidiaries	-	-	(5)	(1)
Total comprehensive loss	(43,017)	(514,531)	(462,621)	(64,579)
Less: Comprehensive loss attributable to the noncontrolling interests	-	(222,401)	(262,939)	(36,703)
Comprehensive loss attributable to ordinary shareholders the Company	(43,017)	(292,130)	(199,682)	(27,876)

* Giving retroactive effect to the 1-for-90 reverse share split effected on June 23, 2025

The accompanying notes are an integral part of the consolidated financial statements.

MAASE INC.
Consolidated Statements of Shareholders' Equity
(In thousands, except for shares and per share data)

	<u>Share Capital</u>	<u>Share Capital</u>	<u>Share Capital</u>		<u>Treasury Stock</u>		<u>Statutory Reserves</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive (Loss) income</u>	<u>Noncontrolling Interests</u>	<u>Total shareholders' equity</u>	
	Number of Class A ordinary shares*	Amounts RMB	Number of Class B ordinary Shares*	Amounts RMB	Additional Paid-in Capital RMB	Number of Shares*						Amounts RMB
Balance as of June 30, 2022	1,005,244	600	—	—	224,694	—	—	23,314	11,836	(393)	—	260,051
Net loss	—	—	—	—	—	—	—	—	(43,577)	—	—	(43,577)
Foreign currency translation	—	—	—	—	—	—	—	—	—	560	—	560
Provision for statutory reserves	—	—	—	—	—	—	—	7	(7)	—	—	—
Disposal of a subsidiary (Note 3(c))	—	—	—	—	—	—	—	(250)	250	—	—	—
Balance as of June 30, 2023	1,005,244	600	—	—	224,694	—	—	23,071	(31,498)	167	—	217,034

* Giving retroactive effect to the 1-for-90 reverse share split effected on June 23, 2025

MAASE INC.
Consolidated Statements of Shareholders' Equity - (continued)
(In thousands, except for shares and per share data)

	Share Capital		Share Capital		Additional Paid-in Capital	Treasury Stock		Statutory Reserves	Accumulated deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total shareholders' equity
	Number of Class A ordinary shares*	Amounts RMB	Number of Class B ordinary Shares*	Amounts RMB		Number of Shares*	Amounts RMB					
Cumulative-effect adjustment to beginning balance from adoption of ASU 2016-13	—	—	—	—	—	—	—	—	(93)	—	—	(93)
Net loss	—	—	—	—	—	—	—	—	(289,670)	—	(222,401)	(512,071)
Foreign currency translation	—	—	—	—	—	—	—	—	—	583	378	961
Unrealized net loss on available-for-sale investments	—	—	—	—	—	—	—	—	—	(3,043)	(2,927)	(5,970)
Issuance of shares for business combination (Note 3(b))	3,156,815	2,017	—	—	1,339,405	—	—	—	—	—	1,336,190	2,677,612
Addition in non- controlling interests due to business combination (Note 3(b))	—	—	—	—	—	—	—	—	—	—	266,255	266,255
Acquisition of non- controlling interests in AIFU Inc.	—	—	—	—	21,697	—	—	—	—	—	(42,320)	(20,623)
Share-based compensation	—	—	—	—	13,188	—	—	—	—	—	10,148	23,336
Dividend declared to non- controlling interests	—	—	—	—	—	—	—	—	—	—	(29,500)	(29,500)
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	—	(6,438)	(6,438)
Repurchase 4.46% equity interests held by AIFU Inc. (Note 1)	—	—	—	—	(12,952)	44,817	(29)	—	—	—	(2,782)	(15,763)
Accretion of redeemable ordinary shares	—	—	—	—	(826)	—	—	—	—	—	—	(826)
Partial disposal of equity interests in a subsidiary	—	—	—	—	(2,189)	—	—	(7)	7	—	2,189	—
Balance as of June 30, 2024	4,162,059	2,617	—	—	1,583,017	44,817	(29)	23,064	(321,254)	(2,293)	1,308,792	2,593,914

* Giving retroactive effect to the 1-for-90 reverse share split effected on June 23, 2025

MAASE INC.
Consolidated Statements of Shareholders' Equity - (continued)
(In thousands, except for shares and per share data)

	Share Capital*		Share Capital*		Additional Paid-in Capital RMB	Treasury Stock		Statutory Reserves RMB	Accumulated deficit RMB	Accumulated Other Comprehensive Loss RMB	Noncontrolling Interests RMB	Total shareholders' equity RMB
	Number of Class A ordinary shares*	Amounts RMB	Number of Class B ordinary Shares*	Amounts RMB		Number of Shares*	Amounts RMB					
Adjustment for fractional shares resulting from the share consolidation	—	—	—	—	—	(7)	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	(195,963)	—	—	(262,939)	(458,902)
Foreign currency translation	—	—	—	—	—	—	—	—	—	(1,536)	312	(1,224)
Unrealized net loss on available-for-sale investments	—	—	—	—	—	—	—	—	—	(2,178)	(5,647)	(7,825)
Issuance of Class B ordinary shares (Note 19)			11,111,113	7,299								7,299
Share transfer from Class B ordinary shares to Class A ordinary shares	4,444,445	2,920	(4,444,445)	(2,920)								—
Exercise of share option	666,704	436			(436)							—
Share-based compensation					49,027						24,072	73,099
Injection from non controlling interests					(395)						562	167
Disposal of subsidiaries					(1,790)					(5)	(92,315)	(94,110)
Provision of statutory reserve								152	(152)			—
Accretion of redeemable ordinary shares					(2,141)							(2,141)
Acquired shares from minority interests					2,968						(2,968)	—
Partial disposal of equity interests in a subsidiary					(504,317)						534,213	29,896
Balance as of June 30, 2025	9,273,208	5,973	6,666,668	4,379	1,125,933	44,810	(29)	23,216	(517,369)	(6,012)	1,504,082	2,140,173
Balance as of June 30, 2025 in US\$ (Note 2(v))		833		612	157,174		(4)	3,241	(72,222)	(839)	209,962	298,757

* Giving retroactive effect to the 1-for-90 reverse share split effected on June 23, 2025

The accompanying notes are an integral part of the consolidated financial statements.

MAASE INC.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$
				Note 2(v)
Cash flows from operating activities:				
Net loss	(43,577)	(512,071)	(458,902)	(64,060)
Adjustments to reconcile net loss to net cash generated from operating activities:				
Depreciation expense	3,545	8,368	9,412	1,314
Amortization of intangible assets	848	50,837	92,229	12,875
Non-cash operating lease expense	8,753	37,091	47,599	6,645
Loss on termination of operating lease	-	1,031	702	98
Provision for allowance for credit losses on financial assets	-	6,821	615,845	85,969
Impairment of long-term investment	-	-	5,200	726
Impairment loss on goodwill and intangible assets	-	426,410	568,239	79,323
Share-based compensation expenses	-	23,335	73,099	10,204
Loss on disposal of property, plant and equipment	2,951	1,293	1,177	164
Change in fair value of equity investments and contingent consideration	-	73,761	431	60
Provision (reversal) on uncertain tax liability	260	(2,763)	(11,184)	(1,561)
Investment income	177	(5,779)	(5,580)	(779)
Net gain on disposal of subsidiaries	(13,737)	(329)	(902,022)	(125,917)
Share of loss of affiliates	-	1,121	3,931	549
Deferred taxes	15,625	9,298	(5,170)	(722)
Interest accrued for other receivables and loan receivables	-	(10,924)	(29,381)	(4,101)
Interest expenses	-	-	4,564	637
Loss on disposal of investment in an associate	-	-	4,330	604
Changes in operating assets and liabilities:				
Accounts receivable and contract assets	21,905	67,368	286,002	39,924
Other receivables and current assets	5,354	8,793	(261,860)	(36,553)
Other non-current assets	-	19,900	734	102
Accounts payable and accrued commissions	(5,376)	(61,592)	(165,417)	(23,091)
Other payables and accrued expenses	(6,336)	(38,109)	263,830	36,827
Other current liabilities	(6,293)	(4,439)	(36,904)	(5,151)
Income taxes payable	(1,779)	(5,236)	(5,196)	(725)
Lease liability	(7,683)	(36,451)	(46,508)	(6,492)
Derecognition of a contingent consideration n	-	-	22,267	3,108
Net cash (used in) generated from operating activities	(25,363)	57,734	71,467	9,977
Cash flows from investing activities:				
Purchase of short term investments	-	(1,745,980)	(201,325)	(28,104)
Proceeds from disposal of short term investments	4,823	2,088,111	202,446	28,260
Purchase of property, plant and equipment	(881)	(4,305)	(5,544)	(774)
Proceeds from disposal of property and equipment	-	470	3,763	525
Cash paid out for loan receivables from third parties	(110,000)	(838,800)	(188,000)	(26,244)
Cash received for loan receivables from third parties	110,000	145,500	30,500	4,258

MAASE INC.
Consolidated Statements of Cash Flows - (continued)
(In thousands)

	Year Ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$
				Note 2(v)
Prepaid for intangible assets	(20)	-	-	-
Purchase of intangible assets	(977)	-	(637)	(89)
Cash received from disposal of an Equity investment	-	-	353	49
Proceeds from disposal of subsidiaries, net of cash disposed	(7,931)	(12,761)	(168,589)	(23,534)
Payment for purchase of additional shares of subsidiary	-	-	(105)	(15)
Cash acquired on non-cash acquisitions	-	601,925	39	5
Net cash (used in) generated from investing activities	(4,986)	234,160	(327,099)	(45,663)
Cash flows from financing activities:				
Proceeds of issuance of ordinary shares upon private placement	-	44,968	3,001	420
Proceeds from bank borrowings	-	98,377	36,601	5,109
Repayment of bank borrowings and other borrowings	-	(164,300)	(57,490)	(8,025)
Dividend distributed to noncontrolling interest	-	(29,500)	-	-
Repurchase of ordinary shares from open market	-	(10,028)	-	-
Proceeds on exercise of stock options	-	-	75	10
Disposal of shares of subsidiary	-	-	3,624	506
Acquisition of non-controlling interests in subsidiaries	-	(26,358)	-	-
Net cash used in financing activities	-	(86,841)	(14,189)	(1,980)
Net (decrease) increase in cash and cash equivalents, and restricted cash	(30,349)	205,053	(269,821)	(37,666)
Cash and cash equivalents and restricted cash at beginning of year	194,259	164,470	370,396	51,705
Effect of exchange rate changes on cash and cash equivalents	560	873	4,740	662
Cash and cash equivalents and restricted cash at the end of the year	164,470	370,396	105,315	14,701
Reconciliation in amounts on the consolidated balance sheets:				
Cash and cash equivalents at the end of the year	164,470	295,693	82,104	11,461
Restricted cash at the end of the year	-	74,703	23,211	3,240
Total of cash and cash equivalents and restricted cash at the end of the year	164,470	370,396	105,315	14,701
Supplemental disclosure of cash flow information:				
Income taxes paid	4	5,236	10,264	1,433
Interests paid	-	960	4,564	637
Supplemental disclosure of non-cash flow information:				
Right-of-use assets obtained in exchange for lease obligations, net of decrease of right-of-use assets for early terminations	8,008	9,666	2,290	320
Acquisition of subsidiaries through issuing ordinary shares	-	2,341,942	-	-

The accompanying notes are an integral part of the consolidated financial statements.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(1) Organization and Description of Business

Maase Inc. (the “Company”) (formerly known as “Highest Performances Holdings Inc.” and “Puyi Inc.”) was incorporated in the Cayman Islands in July 2018 and listed on the Nasdaq on March 29, 2019. On March 13, 2024, the Company changed its name from Puyi Inc. to Highest Performances Holdings Inc. On June 3, 2025, the Company changed its name from Highest Performances Holdings Inc. to Maase Inc.

AIFU Inc. (“AIFU”) (formerly known as “AIX Inc.” and “Fanhua Inc.”) held approximately 4.46% of the Company’s equity interests since September 2018. On December 22, 2023, the Company entered into a share repurchase agreement with AIFU, pursuant to which the Company agreed to repurchase all of the 4.46% equity interests (see details in Note 19). Concurrently, a wholly-owned subsidiary of AIFU entered into a share transfer agreement with the Company to acquire 15.41% equity interests in Fanhua Puyi Fund Sales Co., Ltd. (“Puyi Fund”), a wholly-owned subsidiary of the Company, at an aggregate consideration including a transfer price for the aforementioned 4.46% equity interests and cash of RMB10,463 which was accounted for as a partial disposal of the Group’s equity interests in Puyi Fund to AIFU without losing its control over Puyi Fund. No disposal gain or loss was recognized.

On December 27, 2023, the Company and certain shareholders of AIFU (the “Selling Shareholders”) entered into securities exchange agreements (the “Agreements”). According to the terms and conditions set forth in the Agreements, the Company issued an aggregate of 284,113,315 ordinary shares (equivalent to 3,156,814 Class A ordinary shares giving effect to the 1-for-90 reverse share split effected on June 23, 2025) to the Selling Shareholders, and in exchange therefor, the Selling Shareholders transferred to the Company an aggregate of 568,226,628 (equivalent to 1,420,567 Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025) ordinary shares of AIFU that they beneficially owned (the “Transaction through Exchange of Equity Interests”). The transaction was completed on December 31, 2023. As a result of the Transaction through Exchange of Equity Interests, the Company owned approximately 50.10% of AIFU’s equity interests and the Selling Shareholders collectively obtained around 76.67% of the Company’s equity interests. Upon the closing of the transaction, the Company directly owned a majority equity interest as well as the voting rights in AIFU through which the Company possessed a controlling financial interest. On the other hand, the 76.67% of the Company’s equity interests were dispersed amongst the individual Selling Shareholders with none holding a majority equity interest in the Company. The transaction is accounted for as a business combination using the acquisition method (see details in Note 3). The Company, as a legal acquirer, is determined as the accounting acquirer while AIFU is identified as the legal and accounting acquiree. In identifying the accounting acquirer, management’s assessment gives more weight to the factor in which the Company obtained control over more than 50% of the voting interests in AIFU.

On December 27, 2024, our subsidiary AIFU transferred all of its interests in Fanhua RONS (Beijing) Technology Co., Ltd. (“Fanhua RONS Technologies”) and Shenzhen Xinbao Investment Co., Ltd. (“Xinbao Investment”) and its subsidiaries (the “former consolidated VIEs”) to BGM Group Ltd. (“BGM”) in exchange for BGM’s 69,995,661 Class A ordinary shares at a consideration of approximately US\$140,000 (the “BGM Transaction”). Prior to the transaction, AIFU performed a series of restructuring to transfer equity interest of Fanhua RONS Technologies and Xinbao Investment to a newly incorporated wholly owned subsidiary through contractual arrangements. The historical contractual arrangements among (x) the AIFU’s wholly-owned PRC subsidiary Fanhua Insurance Sales Service Group Company Limited and Beijing Fanlian Investment Co., Ltd., (y) the former consolidated VIEs, and (z) the individual nominee shareholders of the former consolidated VIEs (“AIFU’s Contractual Arrangements”) were terminated at the date of closing the transaction with BGM.

In January 2025, our subsidiary AIFU disposed of 100% equity interests in Guangdong Meidiya Investment Co., Ltd. (“Meidiya”) to a third party for cash consideration of RMB30,240. Meidiya holds approximately 44.7% of the equity interests of Fanhua Insurance Surveyors & Loss Adjustors Co., Ltd. (“FHISLA”) and its subsidiaries (collectively referred to as the “Disposal Group”). The Disposed Group historically constituted the Group’s claims-adjusting segment, over which the Group exercised control through a series of act-in-concert arrangements. Accordingly, the Group deconsolidated the Disposed Group with effect from January 1, 2025 and no longer conducts any material operations in the claims-adjusting business.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(1) Organization and Description of Business (continued)

As of June 30, 2025, the Company held 1,642,774 ordinary shares of AIFU, comprising 367,774 Class A ordinary shares and 1,275,000 Class B ordinary shares, representing 27.98% of AIFU's total issued and outstanding ordinary shares, and 50.47% of its aggregate voting power, of AIFU, thereby maintaining control of more than 50% of AIFU's voting interests.

The Company, its subsidiaries and the consolidated variable interest entities (see Note 2(a) for details) are collectively referred to as the "Group". The Group is principally engaged in the provision of agency services and wealth management services in the People's Republic of China (the "PRC"). The Group disposed of Disposal Group in January 2025 and has not operated in claim adjusting business since then (see Note 4 for details).

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Consolidation

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The consolidated financial statements include the financial statements of the Company, all its subsidiaries and those variable interest entities (the "VIEs") of which the Company is the primary beneficiary from the dates they were acquired or incorporated. All intercompany balances and transactions have been eliminated in consolidation.

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of internet content and other restricted businesses, the Group operates certain of its businesses which are subject to restrictions in the PRC through PRC domestic companies, whose equity interests are held by certain individuals ("Nominee Shareholders"). The Group, through its wholly foreign owned PRC subsidiaries ("WFOEs"), entered into a series of contractual arrangements with certain PRC domestic companies and the Nominee Shareholders, pursuant to which the Group was entitled to have the power to direct the activities that most significantly impact the VIEs, and receive effectively all economic benefits generated from the Nominee Shareholders' equity interests in these VIEs, and therefore the Group consolidated these VIEs. Through its wholly foreign-owned enterprise, Puyi Enterprises Management Consulting Co., Ltd. ("Puyi Consulting"), the Group entered into a series of contractual arrangements that collectively make it the primary beneficiary of Chengdu Puyi Bohui Information Technology Co., Ltd. ("Puyi Bohui") and its subsidiaries (together, the "VIEs"). As such, the Group consolidated the financial results of these PRC domestic companies and their subsidiaries in the Group's consolidated financial statements until the disposal of these entities in September 2025..

As further described in Note 1, following the completion of the BGM transaction, the contractual arrangements relating to the former consolidated VIEs were terminated. Consequently, these entities are no longer consolidated by the Group. Prior to December 27, 2024, the Group was the primary beneficiary of these former VIEs and had consolidated their financial results. Additional information is provided in Note 13.

The consolidated VIEs herein refer to Puyi Bohui, Xinbao Investment, RONS Technologies and their respective subsidiaries prior to December 2024 and refer to Puyi Bohui and its subsidiaries since December 2024 until September 2025. To align with the termination of act-in-concert arrangements among Meidiya and the other shareholders of FHISLA by mutual agreement of the parties, a disposal plan was formed in January 2025 to divest the Group's claim adjusting businesses. The Company's sales of the Disposal Group represented a strategic business shift having a major effect on the Group's operations and financial results. The results of operations for the Disposal Group are presented as discontinued operations on the consolidated statements of operations and comprehensive loss, and assets and liabilities are reflected as "Assets and Liabilities of Discontinued Operations" on the consolidated balance sheets for all periods presented. Amounts for all periods discussed below reflect the results of operations, financial condition and cash flows from the Company's continuing operations, unless otherwise noted. Refer to Note 4 for further discussion on the Group's discontinued operations.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions using the currently available information. Changes in facts and circumstances may cause the Company to revise its estimates. In accordance with ASC 250, the changes in estimates will be recognized in the same period of changes in facts and circumstances. The Company bases its estimates on past experiences and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Estimates are used when accounting for items and matters including, but not limited to, revenue recognition, the allowance for credit losses, realizability of deferred tax assets, estimated useful lives of fixed assets, intangible assets and operating lease right-of-use assets, and accruals for income tax uncertainties.

(c) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash on hand, bank deposits and short-term, highly liquid investments, which have original maturities of three months or less, and that are readily convertible to known amounts of cash and have insignificant risk of changes in value related to changes in interest rates.

Regarding the insurance agent service, the Group collects premiums from the insureds and remits the premiums to the appropriate insurance companies. Accordingly, as reported in Other current liabilities of the consolidated balance sheets, “premiums” are receivables from the insureds of RMB10,416 and RMB482 as of June 30, 2024 and 2025, respectively. Unremitted net insurance premiums are held in a fiduciary capacity until disbursed by the Group. The Group invests these unremitted funds only in cash accounts held for a short term and reports such amounts as Restricted cash in the consolidated balance sheets. Also, restricted cash balance as June 30, 2024 includes the entrustment deposit received from the members of eHuzhu, an online mutual aid platform operated by the Group amounted RMB37,504 and nil as of June 30, 2025 as the group disposed the subsidiary in first half of 2025. Additionally, restricted cash balance includes guarantee deposit required by the National Financial Regulatory Administration which replaces the China Banking and Insurance Regulatory Commission as the regulatory body since May 2023 in order to protect insurance premium appropriation by insurance agency which is restricted as to withdrawal for other than current operations. Thus, the Group classifies the balance for guarantee deposit as a non-current asset. The balance for guarantee was RMB25,256 and RMB16,338 as of June 30, 2024 and 2025, respectively.

(d) Short Term Investments

All investments with original maturities less than twelve months or investments that are expected to be realized in cash during the next twelve months are classified as short-term investments. The Group accounts for short-term debt investments in accordance with ASC Topic 320, Investments – Debt Securities (“ASC 320”). The Company classifies the short-term investments in debt securities as held-to-maturity or available-for-sale, whose classification determines the respective accounting methods stipulated by ASC 320. Dividend and interest income for all categories of investments in securities are included in earnings. Any realized gains or losses on the sale of the short-term investments are determined on a specific identification method, and such gains and losses are reflected in earnings during the period in which gains or losses are realized.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(d) Short Term Investments (continued)

Securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and stated at amortized cost less allowance for credit losses. The Group has no debt investments classified as trading. The Group's short term investments are mainly available-for-sale debt securities that do not have a quoted market price in an active market. Available-for-sale investments are carried at fair values and the unrealized gains or losses from the changes in fair values are included in accumulated other comprehensive income or loss. The Group benchmarks the values of its other investments against fair values of comparable investments and reference to product valuation reports as of the balance sheet date and categorizes all fair value measures of short term investments as level 2 of the fair value hierarchy.

The Group evaluates each individual available-for-sale debt securities periodically for impairment. For investments where the Group does not intend to sell, the Group evaluates whether a decline in fair value is due to deterioration in credit risk. Credit-related impairment losses, not to exceed the amount that fair value is less than the amortized cost basis, are recognized through an allowance for credit losses on the consolidated balance sheet with corresponding adjustment in others, net of the consolidated statements of operations and comprehensive loss. Subsequent increases in fair value due to credit improvement are recognized through reversal of the credit loss and corresponding reduction in the allowance for credit loss. Any decline in fair value that is non-credit related is recorded in accumulated other comprehensive income as a component of shareholder's equity. As of June 30, 2025, there were no investments held by the Group that had been in continuous unrealized loss position.

No impairment loss on short term investments was identified for years ended June 30, 2023, 2024 and 2025, respectively

(e) Accounts Receivable and Contract Assets, net

Since July 1, 2022, the Group adopted Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), using the modified retrospective transition method. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. Upon adoption, the Company changed the impairment model to utilize a forward-looking current expected credit losses (CECL) model in place of the incurred loss methodology for financial instruments measured at amortized cost and receivables resulting from the application of ASC 606, including contract assets.

Accounts receivable are recorded at the amount that the Group expects to collect and do not bear interest. Accounts receivable primarily consists of fees predominantly due from insurance companies for agency and amounts due from fund product providers for wealth management services. Contract assets are recorded when a long-term life insurance policy becomes effective, of which, the portion in relation to initial commissions earned is reclassified to accounts receivable upon the expiration of the hesitation period; and the remaining portion arising from estimated renewal commissions will be reclassified to accounts receivable once the initial policy has been renewed and/or the Group has achieved certain renewal targets in subsequent years within the renewal term of the policy. Accounts receivable are generally settled within 90 days since the initial recognition pursuant to the payment terms in the contract with customers, of which a minor portion relating to bonus earned based on annual performance condition is settled within one year.

The Group evaluates the collectability of its accounts receivable and contract assets based on a combination of factors. The Group generally does not require collateral on trade receivables and contract assets as the majority of the Group's customers are large insurance companies and fund product producers. The provision of credit losses for accounts receivable and contract assets is based upon the current expected credit losses ("CECL") model by pooling accounts receivable and contract assets into various age buckets. The entire contract assets balance is included in the bucket of within 1 year.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(e) Accounts Receivable and Contract Assets, net (continued)

The expected credit loss rates applied range from 0.01% to 100%. In assessing the CECL, the Group considers both quantitative and qualitative information that is reasonable and supportable, including relevant available information from internal and external sources, related to past events, historical credit loss experience, current and future economic events as well as other conditions that may be beyond the Group's control. Credit loss expenses are assessed periodically and included in general and administrative expense on the consolidated statements of operations and comprehensive loss. Accounts receivable that are deemed uncollectible when all collection efforts have been exhausted are written off against the allowance for credit loss.

Accounts receivable and contract assets, net is analyzed as follows:

	As of June 30,	
	2024	2025
	RMB	RMB
Accounts receivable	189,056	95,057
Contract assets (See Note 2(r))	1,050,124	821,742
Allowance for credit loss	(907)	(2,291)
Accounts receivable and contract assets, net	<u>1,238,273</u>	<u>914,508</u>

The following table summarizes the movement of the Group's allowance for expected credit losses of accounts receivable and contract assets:

	As of June 30,	
	2024	2025
	RMB	RMB
Balance at the beginning of the year	(6,892)	(907)
Current period provision of expected credit losses	(907)	(1,384)
Write-offs	6,892	-
Balance at the end of the year	<u>(907)</u>	<u>(2,291)</u>

(f) Property, Plant and Equipment, net

Property, plant and equipment are stated at cost. Depreciation is calculated using the straight-line method over the following estimated useful lives, taking into account residual value:

	Estimated useful life (Years)	Estimated residual value
Building	20-36	0%
Office equipment, furniture and fixtures	3-5	0%-3%
Motor vehicles	3-10	0%-3%
Leasehold improvements	Shorter of the remaining lease terms and estimated useful lives	0%

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment, net (continued)

The depreciation methods and estimated useful lives are reviewed regularly. The following table summarizes the depreciation expense recognized in the consolidated statements of operations and comprehensive loss:

	For the years ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
Operating costs	-	-	48
Selling expenses	3,026	1,242	1,841
General and administrative expenses	519	5,311	7,523
Depreciation expense	<u>3,545</u>	<u>6,553</u>	<u>9,412</u>

(g) Business combinations and non-controlling interests

The Group evaluates acquisitions of assets to assess whether or not the transaction should be accounted for as a business combination or asset acquisition. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group applies a 'screen test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Transactions in which the acquired is considered a business are accounted for as a business combination as described below. Conversely, transactions not considered as business acquisition are accounted for as acquisition of assets and liabilities. In such transactions, the cost of acquisition is allocated proportionately to the acquired identifiable assets and liabilities, based on their proportionate fair value on the acquisition date. In an asset acquisition, no goodwill is recognized.

The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805 "Business Combinations". The consideration transferred in a business combination is measured as the aggregate of the acquisition-date fair value of the assets transferred, liabilities incurred by the Group to the selling shareholders of the acquiree, and the equity interests issued by the Group. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the consideration transferred, the fair value of any non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(g) Business combinations and non-controlling interests (continued)

The consideration for the Group's business acquisitions may include future payments that are contingent upon the occurrence of a particular event or events. Contingent consideration also takes the form of a right of the Group to the returns of previously transferred assets or issued equity interests from the sellers of the acquired business. Both the rights and obligations for such contingent consideration returns and payments are recorded at fair value on the acquisition date. The Group's contingent right to receive a return of some equity interests issued (i.e., contingently returnable shares) is recognized as an asset and measured at fair value. The Group's obligation to pay contingent consideration is recognized and classified as a liability and measured at fair value. The contingent consideration rights and obligations are subsequently evaluated each reporting period with changes in fair value recognized as a gain or loss and recorded within change in the fair value of contingent assets and liabilities in the consolidated statements of income and comprehensive income.

For the Group's majority-owned subsidiaries and subsidiaries of VIEs, a non-controlling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Group. Consolidated net income (loss) on the consolidated statements of operations and comprehensive income (loss) includes the net income (loss) attributable to non-controlling interests. The cumulative results of operations attributable to non-controlling interests, are recorded as non-controlling interests on the Group's consolidated balance sheets.

(h) Goodwill and Other Intangible Assets

Goodwill

Goodwill represents the excess of costs over fair value of net assets of businesses acquired in a business combination. Goodwill is not amortized, but is tested for impairment at the reporting unit level at least on an annual basis at the balance sheet date or more frequently if certain indicators arise. The Group had three reporting units starting from December 31, 2023 upon the completion of a business combination transaction (See details in Note 3(b)) to January 1, 2025 upon the completion of a disposal of claim adjusting business (See details in Note 4). Starting from January 1, 2025, the Group operated in two reporting units. For the year ended June 30, 2023, the Group operated one reporting unit.

The impairment test for goodwill is performed as of year-end or if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount by comparing the fair value of a reporting unit with its carrying value. In testing goodwill for impairment, the Group elects to perform a qualitative assessment to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not impaired and no further testing is required. If the fair value of the reporting unit is less than the carrying value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

The impairment review is highly judgmental and involves the use of significant estimates and assumptions. These estimates and assumptions have a significant impact on the amount of any impairment charge recorded. Estimates of fair value are primarily determined by using discounted cash flows. Discounted cash flows method is dependent upon assumptions of future sales trends, market conditions and cash flows of each reporting unit over several years. Actual cash flows in the future may differ significantly from those previously forecasted. Other significant assumptions include growth rates, operating margins and the discount rates applicable to future cash flows. Based on this quantitative test in 2025, it was determined that the carrying amount of the insurance agency reporting unit exceeded its fair value and, therefore, the Group recorded an impairment loss on goodwill of RMB116,168 (see details in Note 9) for the year ended June 30, 2025, compared with RMB 426,410 for the year ended June 30, 2024.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(h) Goodwill and Other Intangible Assets (continued)

Intangible Assets

Identifiable intangibles assets are required to be determined separately from goodwill based on their fair values. In particular, an intangible asset acquired in a business combination should be recognized as an asset separate from goodwill if it satisfies either the “contractual-legal” or “separability” criterion. Intangible assets with a finite economic life are carried at cost less accumulated amortization. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets that are not considered to have an indefinite useful life are amortized over their estimated useful lives on a straight-line basis.

The estimated useful lives for the Group’s intangible assets are as follows:

	Estimated useful life (Years)
Software and operating system	3
Non-compete agreements	5.8 - 6
Agent resources	2.8 - 3
Insurance brokerage licenses	20
Trade names	5

(i) Investments in Affiliates

The Group uses the equity method of accounting for investments in which the Group has the ability to exercise significant influence, but does not have a controlling interest.

On April 1, 2024, the Group’s one majority-owned subsidiary in Hong Kong, i.e., BWWS Limited (“BWW”) disposed its controlling financial interests in subsidiaries of Brave Moon Limited (“BML”) and Avantech Solutions Limited (“Avantech”) to the minority shareholder through entering into a supplement joint venture agreement (the “Joint Venture Agreement”) to share the power with the other shareholder to jointly control the strategic operating, investing, and financing decisions over BML and Avantech. The Group accounted for the investments using the equity method and the fair value of the retained interests as of the date of joint control forms the basis for the initial measurement. The Group therefore recorded an investment loss of RMB79 in others, net in the consolidated statement of operations and comprehensive loss and derecognized the non-controlling interests in BML and Avantech which are not attributable, directly or indirectly, to the Group amounting to RMB6,427 in the consolidated statement of shareholders’ equity for the year ended June 30, 2024. In May 2025, The Group disposed all its shares of BML and Avantech to the minority shareholder for a cash consideration of HKD380 and records disposal loss of RMB4,330.

The Group continually reviews its investment in equity investees to determine whether a decline in fair value to an amount below the carrying value is other-than-temporary. The primary factors the Group considers in its determination are the duration and severity of the decline in fair value; the financial condition, operating performance and the prospects of the equity investee; and other company specific information such as the stock price of the investee and its corresponding volatility, if publicly traded, the Group’s intent and ability to hold the investment until recovery, and changes in the macro-economic, competitive and operational environment of the investee. If the decline in fair value is deemed to be other-than-temporary, the carrying value of the equity investee is written down to fair value.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(j) Long-term Investments

Other non-current assets mainly represent long-term equity investments accounted for under the measurement alternative method, contingent consideration measured at fair value through profit or loss and an investment in debt securities classified as held-to-maturity which is measured at amortized cost.

Equity securities without readily determinable fair value

The Group has long-term investments in equity security of certain privately held companies which the Group exerts no significant influence or a controlling interest. As a result of adoption of “*Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*” (“ASU 2016-01”) in January 1, 2019, equity securities without readily determinable fair values that do not qualify for the practical expedient in ASC 820, Fair Value Measurements and Disclosure to estimate fair value using the net asset value per share (or its equivalent) of the investment, are measured and recorded using a measurement alternative that measures the securities at cost less impairment, if any, plus or minus changes resulting from qualifying observable price changes. Significant judgments are required to determine whether observable price changes are orderly transactions and identical or similar to an investment held by the Group.

During each reporting period, the Group makes a qualitative assessment considering impairment indicators to separately evaluate whether each of its equity securities without readily determinable fair value is impaired. Impairment indicators that the Group considers include, but are not limited to a significant deterioration in the earnings performance, credit rating, asset quality, or business prospects of the investee, factors such as negative cash flows from operations and working capital deficiencies that raise significant concerns about the investee’s ability to continue as a going concern, current economic and market conditions and other specific information. If a qualitative assessment indicates that the investment is impaired, the entity has to estimate the investment’s fair value in accordance with the principles of ASC 820. If the fair value is less than the investment’s carrying value, the Group recognizes an impairment loss in earnings equal to the difference between the carrying value and fair value.

The Group recorded an impairment of nil, nil and RMB5,200 during the years ended June 30, 2023, 2024 and 2025, respectively, in the consolidated statements of operation and comprehensive loss.

Investment in debt securities with embedded features

As of June 30, 2025, the Group held a two-year-term debt security with a principal amount valued at RMB125,000 with a fixed return rate of 6% and an additional earning right contingent upon the satisfaction of certain conditions within the contract term. The Group considered the host contract as a debt security and classified the investment as a held-to-maturity security which is measured subsequently at amortized cost as the Group has the positive intent and ability to hold it to maturity. As of June 30, 2025, the current portion of the held-to-maturity security was recorded in short term investment and the non-current portion was recorded in other non-current assets, net of the consolidated balance sheet, respectively.

The Group evaluated the additional earning right as a derivative instrument that is “embedded” to the host contract in accordance with ASC 815. The Group considered the stated and implied substantive features of the contract as well as the economic characteristics and risks of the hybrid instrument and determined that the additional earning right be considered as an embedded derivative separated from the host contract and accounted it for as a derivative instrument. The Group classified the embedded derivative measured at fair value and change in fair value is charged through profit or loss. As of June 30, 2025, the fair value of the embedded derivative was immaterial.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(k) Impairment of Long-Lived Assets

Property, plant, and equipment and intangible assets with definite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying value of the asset exceeds the fair value of the asset. The Group recorded impairment loss on intangible assets of nil, nil and RMB325,130 during the years ended June 30, 2023, 2024 and 2025, respectively, in the consolidated statements of operation and comprehensive loss.

(l) Insurance Premium Payables

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

(m) Redeemable ordinary shares

The Company accounts for ordinary shares subject to possible redemption in accordance with ASC 480 “Distinguishing Liabilities from Equity.” Ordinary shares subject to conditional redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the control of the Company is classified as mezzanine equity. The Company evaluates the probability of these redeemable ordinary shares becoming redeemable at each reporting date. If it is probable that the redeemable ordinary shares will become redeemable, the Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of the instrument to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable ordinary shares shall be affected by charges against retained earnings. Accordingly, if the ordinary shares are not currently redeemable and it is not probable that the ordinary shares will become redeemable, subsequent adjustment of the amount presented in temporary equity is unnecessary.

(n) Treasury Shares

Treasury shares represent ordinary shares repurchased by the Group that are no longer outstanding and are held by the Group. The repurchased ordinary shares are recorded whereby the total par value of shares acquired is recorded as treasury stock and the difference between the par value and the amount of cash paid is recorded in additional paid-in capital. If additional paid-in capital is not available or is not sufficient, the remaining amount is to reduce retained earnings.

(o) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, net operating loss carryforwards and credits by applying enacted statutory tax rates applicable to future years. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Group records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Group recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Group recognizes interest and penalties related to unrecognized tax benefits, if any, on the income tax expense line in the accompanying consolidated statement of operations and comprehensive loss. Accrued interest or penalties are included on the other tax liabilities line in the consolidated balance sheets.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(p) Share-based Compensation

All forms of share-based payments to employees and nonemployees, including restricted share units, stock options and stock purchase plans, are treated the same as any other form of compensation by recognizing the related cost in the consolidated statements of operations and comprehensive loss. The Group recognizes compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for the entire award, provided that the amount of compensation cost recognized at any date must at least equal to the portion of the grant-date value of the award that is vested at that date. For awards with both service and performance conditions, if each tranche has an independent performance condition for a specified period of service, the Group recognizes the compensation cost of each tranche as a separate award on a straight-line basis; if each tranche has performance conditions that are dependent of activities that occur in the prior service periods, the Group recognizes the compensation cost on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. The Group has made an accounting policy election to account for forfeitures when they occur for an award with only service conditions. For an award with a performance condition, the Group continues to assess at each reporting period whether it is probable that the performance condition will be achieved. No compensation cost is recognized for instruments that employees and nonemployees forfeit because a service condition or a performance condition is not satisfied.

Employee share-based compensation

Compensation cost related to employee stock options or similar equity instruments is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. If an award requires satisfaction of one or more performance or service conditions (or any combination thereof), compensation cost is recognized if the requisite service is rendered, while no compensation cost is recognized if the requisite service is not rendered.

Nonemployee share-based compensation

Consistent with the accounting requirement for employee share-based compensation, nonemployee share-based compensation within the scope of Topic 718 are measured at grant-date fair value of the equity instruments, which the Group is obligated to issue when the service has been rendered and any other conditions necessary to earn the right to benefit from the instruments have been satisfied.

(q) Employee Benefit Plans

As stipulated by the regulations of the PRC, the Group's subsidiaries in the PRC participate in various defined contribution plans organized by municipal and provincial governments for its employees. The Group is required to make contributions to these plans at a percentage of the salaries, bonuses and certain allowances of the employees. Under these plans, certain pension, medical and other welfare benefits are provided to employees. The Group has no other material obligation for the payment of employee benefits associated with these plans other than the annual contributions described above. The contributions are charged to the consolidated statements of operations and comprehensive loss as they become payable in accordance with the rules of the above mentioned defined contribution plans.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(r) Revenue Recognition

The Group's revenue from contracts with insurance companies is derived principally from the provision of agency and claims adjusting services, while revenue from contracts with fund product providers or issuers is derived principally from wealth management service. Insurance companies and fund product providers are defined as the Group's customers under ASC 606 "Revenue from Contracts with Customers" ("ASC 606"). In January 2025 the Group divested its entire equity interest in Guangdong Meidiya Investment Co., Ltd. and its subsidiaries, which comprised the Group's claims-adjusting segment. Since completion of the disposal, the Group has ceased providing claims-adjusting services (see Note 4 for details).

The following is a description of the accounting policy for the principal revenue streams of the Group.

Insurance agency services revenue

The Group derives agency revenue serving as a sales agent to distribute various life insurance products and a wide range of non-life insurance products on behalf of insurance companies by which the Group is entitled to receive an initial commission from the insurance companies based on the premium paid by the policyholders for the related insurance policy sold. For life insurance agency, the Group is also entitled to renewal commissions when the policyholder renews the policy within the renewal term of the original policy as such life insurance products are typically long-term products.

The Group has identified its promise to sell insurance products on behalf of an insurance company as the performance obligation in its contracts with the insurance companies. The Group's performance obligation to the insurance company is satisfied and revenue is recognized at a point in time when an insurance policy becomes effective. Specifically for life insurance agency business, certain contracts include the promise to provide certain post-sales administrative services to policyholders on behalf of the insurance companies, such as responding to the policyholder inquiries, facilitating the renewal process and/or gathering information from the policyholder to assist the insurance companies to update the contact information of the policy holder, the Group has concluded such services are administrative in nature and immaterial, and none of these activities on their own results in a transfer of a good or services to the insurance company in the context of the contract. Accordingly, no performance obligation exists after a policy becomes effective.

Initial placement of an insurance policy

The Group recognizes agency revenue related non-life insurance products (which is short term in nature and related premiums are collected upfront) when an insurance policy becomes effective. The commission to be earned is required to be partially refunded contingently on policy cancellations. Based on its past experience, subsequent commission adjustments in connection with non-life insurance policy cancellations have been de minimis to date, and are recognized upon notification from the insurance carriers.

For life insurance products, there is generally a 10 to 15 days hesitation period after an initial placement of a life insurance policy, during which the policyholder has a legal right to unconditionally cancel the effective policy regardless of the reasons. According to relevant terms of the insurance agency contracts with customers, the Group reconciles information of policies sold which also includes policies that have been cancelled by policyholders within the hesitation period, with the insurance companies on a monthly basis. Therefore, the Group estimates cancellation of policies that have become effective but are still within the hesitation period based on subsequent actual data at each reporting date. The cancellation of an effective life insurance policy by the policyholder after the hesitation period does not require the Group to refund initial commission to insurance companies, but rather impacts the Group's estimate on future commission related to renewal(s) of the policy.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(r) Revenue Recognition (continued)

Insurance agency services revenue (continued)

Initial placement of an insurance policy (continued)

In addition, for life insurance agency, the Group may receive a performance bonus from insurance companies as agreed and per contract provisions. Once the Group achieves a certain sales volume based on respective agency agreements, the bonus will become due. Performance bonus represents a form of variable consideration associated with certain sales volume, for which the Group earns commissions. The Group estimates the amount of consideration with a constraint applied that it will be received in the coming year such that a significant reversal of revenue is not probable, and includes the performance bonus as part of the transaction price. For the years ended June 30, 2023, 2024 and 2025, the Group recognized contingent performance bonus of nil, RMB3,675 and nil, respectively.

Renewals of a life insurance policy

For the long-term life insurance products, in addition to the initial commission earned, the Group is also entitled to subsequent renewal commission and compensation, and renewal performance bonus which represents variable considerations and are contingent on future renewals of initial policies or the Group achieves its performance target.

When making estimates of the amount of variable consideration to which the Group expects to be entitled, the Group uses the expected value method and evaluates many factors, including but not limited to, insurance companies mix, product mix, renewal term of various products, renewal premium rates and commission rates, to determine the method(s) of measurement, relevant inputs and the underlying assumptions. The Group considers constraints as well when determining the amount which should be included in the transaction price.

The Group performs an ongoing evaluation of the appropriateness of the constraint applied and will consider the sufficiency of evidence that would suggest that the underlying the assumptions has changed. The Group makes an estimate of variable considerations over the portfolio of contracts based on accumulated historical data and experiences. The estimated renewal commissions are contingent on future renewals of initial policies or achievement of certain performance targets. Given the material uncertainty around the future renewals of the insurance policies, the estimated renewal commissions expected to be collected are recognized as revenue only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is subsequently resolved. The judgment and assumptions are continuously re-evaluated and adjusted as needed along with the accumulation of historical experiences and data when new information becomes available. Actual renewal commissions in the future may differ significantly from those previously estimated.

Insurance claims adjusting services revenue

For insurance claims adjusting services, performance obligations are considered met and revenue is recognized when the services are rendered and completed, at the time loss adjusting reports are confirmed being received by insurance companies. The Group does not accrue any service fee before the receipt of an insurance company's acknowledgement of receiving the adjusting reports. Any subsequent adjustments in connection with discounts which have been de minimis to date are recognized in revenue upon receiving notifications from the insurance companies. In January 2025 the Group divested its entire equity interest in Guangdong Meidiya Investment Co., Ltd. and its subsidiaries, which comprised the Group's claims-adjusting segment. Since completion of the disposal, the Group has ceased providing claims adjusting services (see Note 4 for details)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(r) Revenue Recognition (continued)

Wealth management service revenue

The Group derives wealth management revenue serving as a sales agent to distribute and manage various fund products on behalf of fund product producers or issuers (typically referred to as “fund managers”). The fund products include publicly raised fund products, privately raised fund products and portfolio fund products. The Group is entitled to receive transaction-based commissions when product purchasers (the “investors”) purchase fund products, and scale-based management fees during the period when the investors are continuously holding their shares of fund products they purchase. For the privately raised fund products, the Group is also entitled to receive performance-based distribution commissions. The Group enters into distribution agreements with fund managers which specify the key terms and conditions of the arrangement. Such agreements do not include rights of return, credits or discounts, rebates, price protection or other similar privileges.

For the distribution service, the Group has identified its promise to sell fund products on behalf of a fund manager as the performance obligation in its contracts with the fund manager. The Group’s performance obligation to the fund manager is satisfied and revenue is recognized at a point in time when both of the following two criteria are met: (i) the investors have entered into a purchase or subscription contract with the fund manager and the investor has transferred the subscription fund to an escrow account designated by the fund manager and (ii) the fund manager has issued a formal notice to confirm the distribution of the fund product. Distribution commissions are calculated by multiplying a pre-agreed charge rate with the fund managers on the amount of products transacted, such as purchasing or redemption. Such commissions are typically paid on or shortly after the transaction is completed.

For the management service, the Group’s performance obligation to the fund manager is continuously providing the investors with investment advices through circulating latest information of the net value of the fund products in a timely manner and giving advices for a long-term holding of the fund products, and satisfying investors’ all other needs related to the fund products they purchase and hold. The aforementioned performance obligation is satisfied and revenue is recognized over the investors’ holding period of the products they purchase. Management commissions are calculated based on pre-agreed contracts with the fund managers as either (i) pre-agreed percentage with the daily outstanding balance confirmed with the fund manager, prorated daily, (ii) pre-agreed charge rate on the amount of products transacted, prorated by the actual period length of the product held by investors, or (iii) as a percentage of the fair value of the total investment in the fund products, calculated daily. Management fees are typically paid on a regular basis (typically quarterly or annually) and are not subject to clawback once determined.

In addition, the Group earns performance-based commissions from the fund manager for distribution of privately raised fund products, which are dependent on the extent by which the fund’s investment performance exceeds a certain threshold at the end of the contract term. Such performance-based fees earned based on the performance of the underlying fund are a form of variable consideration in its contracts with customers to provide investment management services. Those performance-based income is typically calculated and distributed when the cumulative return of the fund can be determined. Performance-based income will not be recognized as revenue until (a) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. At each reporting date, the Group updates its estimate of the transaction price and concludes that it cannot include its estimate of performance-based income in the transaction price because performance-based income has various possible consideration amounts and the experience that the Group has with similar contracts is of little predictive value in determining the future performance of the funds, thus the Group cannot conclude that it is probable that a significant reversal in the cumulative amount of revenue recognized would not occur.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(r) Revenue Recognition (continued)

Disaggregation of revenue

The following tables show, by timing of revenue recognition, revenue from contracts with customers disaggregated by service lines for the years ended June 30, 2023, 2024 and 2025:

	Year Ended June 30, 2023		
	Point in Time	Over Time	Total
	RMB	RMB	RMB
Wealth management and others	51,358	63,082	114,440
Total net revenues	51,358	63,082	114,440

	Year Ended June 30, 2024		
	Point in Time	Over Time	Total
	RMB	RMB	RMB
Agency	890,453	9,793	900,246
Life insurance business	827,803	-	827,803
Non-life insurance business	62,650	9,793	72,443
Wealth management and others	22,787	40,179	62,966
Total net revenues	913,240	49,972	963,212

	Year Ended June 30, 2025		
	Point in Time	Over Time	Total
	RMB	RMB	RMB
Agency	716,189	11,349	727,538
Life insurance business	625,099	-	625,099
Non-life insurance business	91,090	11,349	102,439
Wealth management and others	19,880	33,798	53,678
Total net revenues	736,069	45,147	781,216

Contract balances

The Group's contract balances include accounts receivable and contract asset which derives only from the insurance agency business. The balances of accounts receivable and contract assets as of June 30, 2024 and 2025 are all derived from contracts with customers. The Group presented contract assets separately in the consolidated balance sheets which include both the amount derived from estimated renewal commissions and the amount of commissions in relation to policies that are still within the hesitation period by the year-end date.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(r) Revenue Recognition (continued)

Practical expedients and exemptions

The Group generally expenses sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within selling expenses in the consolidated statements of operations and comprehensive loss, as the amortization period is less than one year and the Group has elected the practical expedient included in ASC 606.

The Group has applied the optional exemption provided by ASC 606 to not disclose the value of remaining performance obligations not yet satisfied as of period end for contracts with original expected duration of one year or less.

Contract liability

Contract liability relates to unsatisfied performance obligations at the end of each reporting period and consists of cash payment received in advance and was recorded as “other current liabilities” in the consolidated balance sheets. The amount of revenue recognized during the years ended June 30, 2024 and 2025 that was previously included in the contract liabilities balance as of June 30, 2024 and 2025 was RMB803 and RMB nil, respectively.

Value-added tax and surcharges

The Group presents revenue net of tax surcharges and value-added taxes incurred. The tax surcharges amounted to RMB326 and RMB4,748 and RMB4,308 for the years ended June 30, 2023, 2024 and 2025, respectively.

Total value-added taxes paid by the Group during the years ended June 30, 2023, 2024 and 2025 amounted to RMB4,293 and RMB46,393 and RMB41,562 respectively.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(s) Fair Value of Financial Instruments

Fair value is considered to be the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. The established fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs may be used to measure fair value include:

Level 1 Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying values of the Group's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, insurance premium payables, other receivables, short-term loan, accounts payable and other payables, approximate their fair values due to the short-term nature of these instruments.

The carrying amounts of the long-term receivables and payables approximate their fair value as the interest rates are comparable to the prevailing interest rates in the market. For operating lease liabilities, fair value approximates their carrying value at the year-end as the fair value is estimated by used discounted cash flow, in which incremental borrowing rates used to discount the host contracts approximate market rates. For the years ended June 30, 2025, 2024 and 2023, there were no transfers between different levels of inputs used to measure fair value.

Measured at fair value on a recurring basis

As of June 30, 2024 and 2025, information about inputs into the fair value measurements of the Group's assets and liabilities that are measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) **Summary of Significant Accounting Policies** (continued)

(s) *Fair Value of Financial Instruments* (continued)

Measured at fair value on a recurring basis (continued)

Description	Fair Value Measurements at Reporting Date Using			
	As of June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	RMB	RMB	RMB	RMB
Short-term investments - debt security	570,216	-	570,216	-
Investments – equity security recorded within other current assets	13,776	13,776	-	-
Contingent consideration	22,267	-	-	22,267

Description	Fair Value Measurements at Reporting Date Using			
	As of June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	RMB	RMB	RMB	RMB
Short-term investments - debt security	548,101	6,061	542,040	-
Investments – equity security recorded within other current assets and other non-current assets	236,866	47	-	236,819
Contingent consideration	-	-	-	-

The majority of debt security consists of investments in bank financial products, trust products and asset management plans that normally pay a prospective fixed rate of return. These investments are recorded at fair values on a recurring basis. The Group measured these investments at fair values and the unrealized gains or losses from the changes in fair values are included in accumulated other comprehensive income or loss, at the balance sheet date. It is classified as Level 2 of the fair value hierarchy since fair value measurement at the reporting date is benchmarked against fair value of comparable investments.

The Group measures its equity investments with readily determinable fair value at its quoted price in active markets. There were no transfers into or out of Level 1 and Level 2 as of June 30, 2024 and 2025, respectively.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(s) Fair Value of Financial Instruments (continued)

Measured at fair value on a recurring basis (continued)

Level 3 fair value of contingent consideration arising from business combination is determined using the Monte Carlo simulation model and significant assumptions including the probability of achieving performance targets for each scenario and estimated share price during the specified period. For the year ended June 30, 2024 and 2025, the Group recorded gains on changes in fair value of contingent consideration of RMB22,267 and RMB nil, respectively.

Measured at fair value on a non-recurring basis

The Group measures certain assets, including equity securities without readily determinable fair values, equity method investments and intangible assets, at fair value on a nonrecurring basis when they are deemed to be impaired. The fair values of these investments and intangible assets are determined based on valuation techniques using the best information available, and may include management judgments, future performance projections, etc. An impairment charge to these investments is recorded when the cost of the investment exceeds its fair value and for equity method investments, this condition is determined to be other-than-temporary. Impairment charge to the intangible assets is recorded when their carrying amounts may not be recoverable.

Goodwill (Note 9) is measured at fair value on a nonrecurring basis, and they are recorded at fair value only when impairment is recognized by applying unobservable inputs such as forecasted financial performance of the acquired business, discount rate, etc. to the discounted cash flow valuation methodology that are significant to the measurement of the fair value of these assets (Level 3).

Investments in affiliates are measured at fair value on a nonrecurring basis, and they are recorded at fair value only when there is other-than-temporary-impairment. The fair value of investment in an affiliate that is publicly listed is determined based on the market value of its share (Level 1) on the date such impairment is recorded.

(t) Foreign Currencies

The functional currency of the Company and AIFU is the United States dollar (“USD”). Hong Kong dollar is the functional currency of the majority offshore subsidiaries. The functional currency of all the other significant subsidiaries and the consolidated VIEs is Renminbi (“RMB”). Assets and liabilities are translated at the exchange rates at the balance sheet date, equity accounts are translated at historical exchange rates and revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of other comprehensive income or loss in the consolidated statements of operations and comprehensive loss. The Group has chosen the RMB as their reporting currency.

The functional currency of most of the Company’s subsidiaries is RMB. Transactions in other currencies are recorded in RMB at the rates of exchange prevailing when the transactions occur. Monetary assets and liabilities denominated in other currencies are translated into RMB at rates of exchange in effect at the balance sheet dates. Exchange gains and losses are recorded in the consolidated statements of operations and comprehensive loss.

(u) Foreign Currency Risk

The RMB is not a freely convertible currency. The State Administration for Foreign Exchange, under the authority of the People’s Bank of China, controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and international economic and political developments that affect supply and demand in the China Foreign Exchange Trading System market of cash and cash equivalents and restricted cash. The Group had aggregate amounts of RMB250,998 and RMB88,768 of cash and cash equivalents and restricted cash denominated in RMB as of June 30, 2024 and 2025, respectively.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(v) Translation into USD

The consolidated financial statements of the Group are stated in RMB. Translations of amounts from RMB into USD are solely for the convenience of the readers outside of China and were calculated at the rate of US\$1.00 = RMB7.1636, representing the noon buying rate in the City of New York for cable transfers of RMB on June 30, 2025, the last business day in fiscal year 2025, as set forth in H.10 statistical release of the Federal Reserve Bank of New York. The translation is not intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into USD at such rate.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”), which is the Company’s Chief Executive Officer. As of June 30, 2023, the Group managed its business as a single operating segment engaged in the provision of distribution and managing wealth management services in the PRC. On December 31, 2023 upon the acquisition of AIFU, the Group identified two additional operating segments which are insurance agency and claims adjusting. In January 2025 the Group divested its entire equity interest in Guangdong Meidiya Investment Co., Ltd. and its subsidiaries, which comprised the Group’s claims-adjusting segment. Since completion of the disposal, the Group has ceased providing claims-adjusting services (see Note 4 for details). As a result, as of June 30, 2025, the Group operated two segments: (1) the insurance agency segment, which mainly consists of providing agency services for a wide range of life and non-life insurance products to individual clients, and (2) the wealth management segment, which mainly consists of providing distribution and managing wealth management services. Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the Group’s chief operating decision maker in deciding how to allocate resources and in assessing performance.

Substantially all revenues of the Group are derived in the PRC and all long-lived assets are located in the PRC.

(x) Earnings per Share (“EPS”)

Basic EPS is calculated by dividing the net income available to common shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by using the weighted average number of ordinary shares outstanding adjusted to include the potentially dilutive effect of outstanding share-based awards, unless their inclusion in the calculation is anti-dilutive.

(y) Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to RMB3,733 and RMB12,797 and RMB6,591 for the years ended June 30, 2023, 2024 and 2025, respectively.

(z) Leases

The Group leases office space, vehicles and certain equipment under operating leases for terms ranging from short term (under 12 months) to 7 years. The Group does not have options to extend or terminate leases, as the renewal or termination of relevant lease is on negotiation basis. As a lessee, the Group does not have any financing leases and none of the leases contain material residual value guarantees or material restrictive covenants. The Group’s office space leases typically have initial lease terms of 2 to 7 years, and vehicles and equipment leases typically have an initial term of 12 months or less. The Group’s office space leases include fixed rental payments. The lease payments for the Group’s office space leases do not consist of variable lease payments that depend on an index or a rate.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(z) Leases (continued)

The Group determines whether a contract contains a lease at contract inception. A contract contains a lease if there is an identified asset and the Group has the right to control the use of the identified asset. At the commencement of each lease, management determines its classification as an operating or finance lease. For leases that qualify as operating leases, the Group recognizes a right-of-use (“ROU”) asset and a lease liability based on the present value of the lease payments over the lease term in the consolidated statements of balance sheets at commencement date. As all of the leases do not have implicit rates available, the Group uses incremental borrowing rates based on the information available at lease commencement date in determining the present value of future payments. The incremental borrowing rates are estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased assets are located.

The ROU asset is measured at the amount of the lease liabilities with adjustments, if applicable, for lease prepayments made prior to or at lease commencement, initial direct costs incurred and lease incentives. For office space leases, the Group identifies the lease and non-lease components (e.g., common-area maintenance costs) and accounts for non-lease components separately from lease component. The Group’s office space lease contracts have only one separate lease component and have no non-components (e.g., property tax or insurance). Most of the office space lease contracts have no non-lease components. For the office space lease contracts include non-lease components, the fixed lease payment is typically itemized in the office space lease contract for separate lease component and non-lease components. Therefore, the Group does not allocate the consideration in the contract to the separate lease component and the non-lease components.

Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Group has made an accounting policy election to exempt leases with an initial term of 12 months or less without a purchase option that is likely to be exercised from being recognized on the balance sheet. Payments related to those leases continue to be recognized in the consolidated statement of operations and comprehensive loss on a straight-line basis over the lease term.

In addition, the Group does not have any related-party leases or sublease transactions.

(aa) Accumulated Other Comprehensive Loss

The Group presents comprehensive loss in the consolidated statements of operations and comprehensive loss with net loss in a continuous statement.

Accumulated other comprehensive loss mainly represents foreign currency translation adjustments and changes in fair value of available-for-sale debt securities for the period.

(ab) Government grants

Government grants primarily consist of financial subsidies received from provincial and local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. The Group records such government subsidies as other income or reduction of expenses or cost of revenues when it has fulfilled all of its obligation related to the subsidy. The Group recognized RMB1,682 and RMB2,653 and RMB200 in the years ended June 30, 2023, 2024 and 2025.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(ac) Recently accounting pronouncements

Recently Adopted Accounting Pronouncements

Segment Reporting (Topic 280) – In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)- Improvements to Reportable Segment Disclosures (“ASU 2023-07”)*, which provides guidance on the enhanced disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, on an annual and interim basis. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of this guidance should be applied retrospectively to all prior periods presented. Early adoption is permitted. The Group adopted ASU 2023-07 for the year ended June 30, 2025 and retrospectively presented segment information in Note 26 to the consolidated financial statements of the Group.

Recently Adopted Accounting Pronouncements issued not yet adopted

In April 2025, the FASB issued ASU 2025-04 – Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer, which revises the definition of performance condition for share-based consideration payable to a customer, eliminates the forfeiture policy election for awards granted to customers (unless granted in exchange for a distinct good or service), and clarifies applicability of the variable consideration constraint. The ASU will be effective for annual reporting periods (including interim periods within annual reporting periods) beginning after December 15, 2026, for all entities. Early adoption is permitted for both interim and annual financial statements that have not yet been issued. The Company is evaluating the impact of the adoption of this guidance.

In July 2025, the FASB issued ASU 2025-05 - Financial Instruments—Credit Losses (Topic 326). The amendments in this Update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. An entity that elects the practical expedient and the accounting policy election, if applicable, should apply the amendments in this Update prospectively. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Company is evaluating the impact of the adoption of this guidance. We believe the future adoption of this ASU is not expected to have a material impact on its financial statements.

(ad) Revision to Previously Issued Financial Statements

In 2024, the Group identified an error related to recording funds it held temporarily for the investors as its asset, yet it did not have control over. The Group assessed the materiality of this error individually and in the aggregate with other identified errors to prior periods’ consolidated financial statements in accordance with SEC Staff Accounting Bulletin (“SAB”) No. 99 “Materiality” codified in ASC 250 “Accounting Changes and Error Corrections.” The Group concluded that the errors were immaterial to its previously issued financial statements and restatement of previously filed financial statements is not required. However, the Group determined it was appropriate to correct the prior periods errors by revising the financial statement line item amounts previously disclosed in SEC filings in order to achieve comparability in the consolidated financial statements. The impact of this revision of the Group’s previously reported consolidated financial statements are detailed below.

In connection with this revision, the Group also corrected other immaterial errors in the prior periods which include a classification error for commission expense that was reported previously under selling expense but should have been under cost of sales as well as a classification error for excess input value-added tax credit that was reported previously as a current liability but should have been reported as a current asset. For further details, see Note 2(ad) of the financial statements included in the Form 20-F filed for the fiscal year ended June 30, 2024.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(2) Summary of Significant Accounting Policies (continued)

(ad) Revision to Previously Issued Financial Statements (continued)

The following table summarizes the effect of the revisions on the affected line items within the consolidated statements of operations and comprehensive loss related to classification error for commission:

	Year Ended June 30, 2023		
	As reported	Adjustment	As corrected
Operating costs and expenses:			
Cost of sales	(16,136)	(4,149)	(20,285)
Selling expenses	(64,709)	4,149	(60,560)
Total operating costs and expenses	(173,244)	-	(173,244)
Loss from operations	(58,804)	-	(58,804)
Net loss and net loss attributable to shareholders	(43,577)	-	(43,577)

The following table summarizes the effect of the revisions on the affected line items within the consolidated statements of cash flows related to funds it held temporarily for the investors:

	Year Ended June 30, 2023		
	As reported	Adjustment	As corrected
Cash flows from operating activities:			
Change in investors' deposit	(110,538)	110,538	-
Net cash used in operating activities	(135,901)	110,538	(25,363)
Net decrease in cash and cash equivalents, and restricted cash	(140,887)	110,538	(30,349)
Cash and cash equivalents, and restricted cash at beginning of year	313,055	(118,796)	194,259
Cash and cash equivalents, and restricted cash at end of year	172,728	(8,258)	164,470

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(3) Acquisition and disposal

(a) Disposal in FY2025

Disposal of Fanhua RONS (Beijing) Technology Co., Ltd and Shenzhen Xinbao Investment Management Co., Ltd (“Xinbao Investment”) and its subsidiaries

In November 2024, AIFU entered into a share transfer agreement with BGM Group Limited (“BGM”), a leading global provider of premium pharmaceutical products and services. Pursuant to the Agreement, the Group transferred the equity interests of its intelligent platform consisting of RONS Technologies and Xinbao Investment to BGM. The transaction valued the divested entities at approximately US\$140,000, for which the Group received 69,995,661 Class A ordinary shares of BGM, valued at US\$2.00 per share. These consideration shares are subject to a lock-up period of 60 months from the closing date. The transaction was closed on January 1, 2025.

Upon closing, the Group held approximately 72.0% of the equity interest and 3.4% of the voting power in BGM. A gain on disposal of RMB894,052 was recognized, representing the excess of the fair value of consideration received over the net book value of the disposed subsidiaries. The sales consideration was measured at RMB1,000,000. Since the disposal did not represent any strategic change of the Group’s operation, the disposal was not presented as discontinued operations.

Subsequently, on May 27, 2025, AIFU transferred 53,466,331 Class A ordinary shares of BGM to third-party investment firms in exchange for an aggregate consideration of US\$106,937, receivable in two equal installments within two years. Following this partial disposal, AIFU’s shareholding in BGM fell to 16,596,473 Class A ordinary shares, accounting for 8.3% of its equity interest and 0.8% of voting right as of June 30, 2025. The Group accounted for the investments using the equity method on the fair value of equity share exchange out on December 31, 2024. Following the reduction in ownership and loss of significant influence, the remaining investment is classified as other non-current asset and measured at fair value considering the lock up period of 5 years and low liquidity of BGM.

Disposal of Fanhua Blueplus Health Management Co., Ltd. (“Blueplus”) and Shenzhen Dianlian Information Technology Co., Ltd. (“Dianlian”)

In February 2025, AIFU’s wholly-owned subsidiary transferred its 100% equity interests in Shenzhen Dianlian Information Technology Co., Ltd., the operator of eHuzhu mutual aid platform, to Fanhua Blueplus Health Management Co., Ltd. (“Blueplus”), another wholly-owned subsidiary of the Group. Immediately thereafter, the Group disposed of its 100% equity interest in Blueplus for a cash consideration of RMB3,000, which was based on its net asset value as of December 31, 2024. A gain on disposal of RMB1,313 was recognized, measured as the excess of consideration over the net book value at the time of disposal. This transaction is not considered a discontinued operation as it does not reflect a strategic change in the Group’s business.

As of respective closing date of each of these disposals in FY2025, the Group has completed the closing procedures of all the above transactions and has effectively transferred its control of these subsidiaries to the respective buyers.

Disposal of other subsidiaries.

During the fiscal year ended June 30, 2025, our subsidiary AIFU completed the disposal of four subsidiaries, including two agencies company, separately to independent third parties. The total cash consideration amounted to RMB1,866, of which 1,766 was settled as of June 30, 2025. The Group recognized a gain of RMB2,033 on disposal of these subsidiaries, which was determined by the excess of the sales consideration over the net book value of the subsidiaries at the time of disposal. Since the disposal did not represent any strategic change of the Group’s operation, the disposal was not presented as discontinued operations.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(3) Acquisition and disposal (continued)

(b) Acquisition in FY2024

Acquisition of AIFU

As disclosed in Note 1, upon the completion of the Transaction through Exchange of Equity Interests on December 31, 2023, the Company acquired 50.10% of AIFU's equity interests through issuing an aggregate of 284,113,314 ordinary shares (equivalent to 3,156,814 Class A ordinary shares giving effect to the 1-for-90 reverse share split effected on June 23, 2025) in exchange for an aggregate of 568,226,628 ordinary shares (equivalent to 1,420,567 Class A ordinary shares giving effect to AIFU's 1-for-400 reverse share split effected on May 21, 2025) of AIFU beneficially owned by the Selling Shareholders of AIFU. Although AIFU is larger in size, and the Selling Shareholders of AIFU holds more than 50% equity interest in the Group after the Transaction, none of the individual Selling Shareholders of AIFU holds controlling financial interests in the Group, and nor do they act-in-concert. Management considered all factors and determined that, the Company obtained control of AIFU and was therefore considered the accounting acquirer in this business combination transaction (see details in Note 1). The total purchase price consisted of stock.

The acquisition of AIFU was accounted for using the acquisition method, and the purchase price allocation was made based on the fair value of the tangible and intangible assets acquired and liabilities assumed at the date of acquisition. The fair values of the identifiable intangible assets acquired were determined using various valuation techniques, including cost approach and income approach. The fair value measurements were primarily based on significant inputs that are not directly observable in the market and are considered Level 3 under the fair value measurements and disclosure framework. Key assumptions include cash flow projections for AIFU and the discount rate applied to those cash flows. Identifiable intangible assets with finite lives are amortized over their useful lives. The carrying value of the other tangible assets acquired and liabilities assumed approximate their fair value. The excess of the consideration transferred and the fair value of any non-controlling interests over the estimated fair values of the identifiable net assets acquired was recorded as goodwill. The Fair value of the non-controlling interest was estimated with reference to the price per share as of the acquisition date.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(3) Acquisitions and disposals (continued)

(b) Acquisition in FY2024 (continued)

Acquisition of AIFU (continued)

The following is a summary of the fair value of the purchase price and the final allocation of the purchase price to the assets acquired and liabilities assumed:

	RMB
Consideration transferred	1,341,422
Add: Non-controlling interest	1,336,190
Total fair value of purchase price	2,677,612
Assets acquired	RMB
Cash and cash equivalents and restricted cash	601,925
Short term investments	928,270
Accounts receivable and contract assets	1,350,421
Other receivables and current assets	231,853
Property, plant, and equipment, net	91,659
Intangible asset (Note 2(h) and Note 10)	468,832
- Software	91,178
- Non-compete agreements	8,175
- Agent resources	137,944
- Insurance broker licenses	89,071
- Trade names	142,464
Deferred tax assets	40,735
Other non-current assets	235,752
Right of use asset	136,056
Total assets acquired	4,085,503
Liabilities Assumed	
Short-term loan	164,300
Accounts payables and accrued commissions	806,770
Other payable and accrued expenses	183,187
Accrued payroll	93,697
Income tax payable	100,260
Operating lease liabilities	128,475
Deferred tax liabilities	251,780
Other liabilities	82,686
Total liabilities assumed	1,811,155
Total identifiable net assets acquired	2,274,348
Less: Non-controlling interest of certain subsidiaries of AIFU	(266,255)
Goodwill	669,519

The Group had only one reporting unit (i.e., wealth management) prior to the acquisition of AIFU and two additional reporting units including insurance agency and claims adjusting were identified due to the acquisition of AIFU as of the acquisition date. The reporting unit of wealth management is not expected to benefit from the synergies associated with the acquisition of AIFU. As a result, goodwill recorded in the acquisition is assigned to the applicable reporting units of insurance agency and claims adjusting to which the assets and liabilities of AIFU are assigned. The resulted goodwill is not expected to be tax deductible for tax purposes.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(3) Acquisitions and disposals (continued)

(b) Acquisition in FY2024 (continued)

Acquisition of AIFU (continued)

Acquisition-related costs for AIFU were approximately RMB1,369. These were expensed as incurred and are included in general and administrative expenses within the consolidated statement of operations and comprehensive loss.

Pro forma financial information

The following is the pro forma information as if the business acquisition occurred on July 1, 2022. For the business acquisition depreciation and amortization have been included in the calculation of the pro forma information provided below, based on the results of purchase price allocation. Depreciation is computed on the straight-line method over the estimated remaining economic lives of the assets, ranging from three to thirty-six years. Amortization is computed on the straight-line method over the estimated useful lives of the assets ranging from three to twenty years.

This pro forma information is presented for information purposes only. It is based on historical information and does not purport to represent the actual results that may have occurred had the Group consummated the acquisitions on July 1, 2022, nor is it necessarily indicative of future results of operations of the consolidated enterprises:

	Year Ended June 30,	
	2023	2024
	RMB	RMB
Total net revenues	3,452,208	2,419,634
Income (loss) from operations	116,065	(453,560)
Net income (loss)	131,771	(397,718)
Net income (loss) attributable to the Company's shareholders	11,784	(250,192)

(c) Disposal in FY2023

In March 2023, the Group disposed of 100% equity interest in Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. to a third party for a total consideration of RMB20,000, which has been settled as of June 30, 2024. The Group recognized a gain of RMB13,737 on disposal of this subsidiary, which was determined based on the excess of the sales consideration over the net book value of the subsidiary at the time of disposal.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(4) Discontinued operations

Disposal of Meidiya and its subsidiaries

A disposal is categorized as a discontinued operation if the disposal group is a component of an entity or group of components that meets the held for sale criteria, is disposed of by sale or other than by sale and represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The results of disposals that qualify as a discontinued operation are presented as such for all reporting periods presented. Results of discontinued operations include all revenues and expenses directly derived from such disposal group; general corporate overhead is not allocated to a discontinued operation. For disposals other than by sale, results of operations of a business would not be recorded as a discontinued operation until the period in which the business is actually disposed of other than by sale.

In January 2025, the Group's subsidiary AIFU disposed of 100% equity interests in Guangdong Meidiya Investment Co., Ltd. ("Meidiya") to a third party for cash consideration of RMB 30,240. Meidiya holds approximately 44.7% of the equity interests of Fanhua Insurance Surveyors & Loss Adjustors Co., Ltd. ("FHISLA") and its subsidiaries (collectively referred to as the "Disposal Group"). The Disposed Group historically constituted the Group's claims-adjusting segment, over which the Group exercised control through a series of act-in-concert arrangements. Accordingly, the Group deconsolidated the Disposed Group with effect from January 1, 2025 and no longer conduct any material operations in the claims-adjusting business. Concurrently, the act-in-concert arrangements among Meidiya and the other shareholders of FHISLA were mutually terminated by all parties effective February 1, 2025.

The Company's sales of the Disposal Group represented a strategic business shift having a major effect on the Group's operations and financial results. The results of operations for the Disposal Group are presented as discontinued operations on the consolidated statements of operations and comprehensive loss, and assets and liabilities are reflected as "Assets and Liabilities of Discontinued Operations" on the consolidated balance sheets for all periods presented. Amounts for all periods discussed below reflect the results of operations, financial condition and cash flows from the Company's continuing operations, unless otherwise noted.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(4) Discontinued operations (continued)

On January 1, 2025, the Group calculated a loss resulting from such disposition as follows:

Reconciliation of the carrying amounts of the major classes of assets and liabilities from the discontinued operations in the consolidated balance sheets as of January 1, 2025 is as follow.

	RMB
Consideration	30,240
	As of
	January 1,
	2025
	RMB
Assets	
Cash and cash equivalents and restricted cash	88,579
Short term investments	52,025
Accounts receivable	85,721
Other receivables	50,668
Other current assets	9,211
Property, plant, and equipment, net	7,306
Goodwill	126,941
Other non-current assets	6,237
Right of use asset	14,032
Total assets	440,720
Liabilities	
Other payable and accrued expenses	130,551
Accrued payroll	41,846
Income tax payable	10,104
Operating lease liabilities	13,538
Deferred tax liabilities	3,929
Total liabilities	199,968
Total net assets of the Disposal Group	240,752
Less: Non-controlling interest of the Disposal Group	(86,801)
Net assets of the Disposal Group contributable to the Group	153,951
Loss on disposal of the Disposal Group	(123,711)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(4) Discontinued operations (continued)

The assets and liabilities for discontinued operations of the Disposal Group comprised the following items as of June 30, 2024:

	As of June 30, 2024
	RMB
Current assets for discontinued operations	
Cash and cash equivalents and restricted cash	75,407
Short term investments	10,015
Accounts receivable and contract assets	84,759
Other receivables	15,443
Other current assets	9,430
Total current assets	195,054
Non-current assets for discontinued operations	
Restricted bank deposit - non-current	1,527
Property, plant, and equipment, net	7,195
Goodwill	126,941
Deferred tax assets	5,000
Other non-current assets	6,619
Right of use asset	17,038
Total non-current assets	164,320
Total assets	359,374
Current liabilities for discontinued operations	
Other payable and accrued expenses	10,198
Accrued payroll	37,980
Current operating lease liabilities	6,962
Income tax payable	7,840
Total	62,980
Non-current liabilities for discontinued operations	
Non-current operating lease liability	9,098
Deferred tax liabilities	1,555
Other liabilities	3,923
Total	14,576
Total liabilities	77,556
Total net assets of the Disposal Group	281,818

As refer to Note 1, the Group started to consolidate AIFU' s financial statement since December 31, 2023. The financial statements for the fiscal year ended June 30, 2023 do not include any profits and cash flows of AIFU. Consequently, the Disposal Group is not reflected in the financial statements for that period.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(4) Discontinued operations (continued)

The condensed cash flows of Disposal Group were as follows for the fiscal year ended June 30, 2024 and 2025:

	Years ended June 30,	
	2024	2025
	RMB	RMB
Net cash (used in) generated from operating activities	(16,087)	4,653
Net cash (used in) generated from investing activities	44,252	(43,798)
Net cash (used in) generated from financing activities	(29,500)	52,318

Reconciliation of the major classes of losses from discontinued operations in the consolidated statements of operations and comprehensive loss for the fiscal year ended June 30, 2024 and 2025 is as follow:

	Years ended June 30,	
	2024	2025
	RMB	RMB
Major classes of line items constituting pre-tax profit of discontinued operations		
Net revenues	222,114	254,940
Operating costs	(147,333)	(165,752)
Selling expenses	(51,203)	(53,087)
General and administrative expenses	(20,881)	(27,523)
Investment income	366	(366)
Interest income, net	368	277
Others, net	(332)	316
Gain(loss) from discontinued operations, before income tax	3,099	8,805
Income tax (expense) benefit	581	(7,341)
Share of gain (loss) of affiliates	97	(97)
Net income from discontinued operations	3,777	1,367

	Years ended June 30,	
	2024	2025
	RMB	RMB
Significant non-cash operating items:		
Depreciation and amortization	1,706	1,597
Impairment loss	-	126,941
Loss on disposal of property and equipment	96	186
Significant investing activities:		
Purchase of property, plant and equipment	(550)	(3,297)
Proceeds from disposal of property and equipment	269	1,509

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(5) Other Receivables, net

Other receivables, net consist of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Receivables from staff (i)	4,294	2,174
Deposits related to short-term leases	12,726	6,720
Consideration receivable from disposal of long-term investments(ii)	-	805,679
Amount receivable from a third party(iii)	5,229	100,749
Other	1,293	4,916
Sub-total	23,542	920,238
Allowance for current expected credit losses	-	-
Balance at the beginning of the year		(166)
Cumulative-effect adjustment upon adoption of ASU 2016-13	(75)	-
Current period provision for (reversal of) expected credit losses	(91)	140
Balance at the end of the year	(166)	(26)
Other receivables, net	23,376	920,212

- (i) Amounts represented advances to staff or entrepreneurial agents of the Group for daily business operations, which are unsecured, interest-free and repayable on demand.
- (ii) Amount represents the receivable from third-party investment firms as AIFU transferred 53,466,331 Class A ordinary shares of BGM to third-party investment firms in May 2025. The shares transfer consideration is to be settled in two equal installments within two years.
- (iii) Amount as of June 30, 2025 primarily represents the outstanding receivable from the divestiture of discontinued operations.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(6) Loan Receivables, net

Loan receivables, net consist of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Loan receivables from a third-party company (i)	97,984	104,082
Loan receivables from a third-party company (ii)	685,287	784,622
Loan receivables from a third-party company (iii)	-	52,148
Interest receivable from a third-party	279	-
Sub-total	<u>783,550</u>	<u>940,852</u>
Allowance for current expected credit losses:		-
Balance at the beginning of the year		(9,499)
Current period provision for expected credit losses	(9,499)	(612,736)
Balance at the end of the year	<u>(9,499)</u>	<u>(622,235)</u>
Loan receivables, net	<u>774,051</u>	<u>318,617</u>

- (i) The amount as of June 30, 2024 represented the term-loan to Sichuan Tianyi Real Estate Development Co., Ltd (“Sichuan Tianyi”). Sichuan Tianyi, a third-party, of RMB95,000 and corresponding interest receivable RMB2,984. The loan is guaranteed by the ultimate controlling owner of Sichuan Tianyi, whom is jointly liable, with interest rate 6% per annum. In March 2025, a portion of this loan receivable amounting to RMB70,000 was transferred to another third party, with an annual interest rate ranging from 3.6% to 6%. The loan has a one-year term and is expected to be settled within one year. As of June 30, 2025, the outstanding balance of the loan totaled RMB95,000 with corresponding interest receivable of RMB9,082. As the loan receivable is not collected according to the original loan agreement, the Group raise up the provision for expected credit loss. As of June 30, 2025, the Group provided allowance amounted RMB72,475.
- (ii) The amount represented the term-loans principal to a third-party company principally engaged in provision of education service of RMB755,300(2024:RMB679,300) and corresponding interest receivable RMB29,395(2024:RMB6,060) as of June 30, 2025. The loans bear an interest rate of 5% per annum. The loans have been subsequently pledged with equity interests as collaterals and fully guaranteed by the controlling shareholder of the debtor. As the loan receivable is not collected according to the original loan agreement, the Group raise up the provision for expected credit loss. As of June 30, 2025, the Group provided allowance amounted RMB549,212.
- (iii) The amount represented the term-loans for one year principal to a third-party company principally engaged in provision of financial consultant service of RMB52,000 and corresponding interest receivable RMB148 as of June 30, 2025. The loans bear an interest rate of 5% per annum. The loan is guaranteed by the ultimate controlling owner of the controlling shareholder of the debtor, whom is jointly liable. As of June 30, 2025, the Group provided allowance amounted RMB548.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(7) Other current assets

Other current assets consist of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Prepaid operating costs	1,771	819
Prepaid miscellaneous daily expenses	21,460	21,063
Equity investments with readily determinable fair value (i)	13,776	47
Excess input value-added tax (“VAT”) credits (ii)	1,832	1,751
Prepaid contributions of staff employee benefit	484	239
	39,323	23,919

- (i) The amount as of June 30, 2024 mainly represented an 3.1645% equity investment in Cheche Technology Inc. (“Cheche”), which is a listed company on Nasdaq on September 18, 2023. The Group measures the equity security in Cheche at fair value and recorded a loss of RMB82,527 from fair value change in the consolidated statement of operations and comprehensive loss for the year ended June 30, 2024. During fiscal year 2025 ended June 30, 2025, the Group divested the majority of its equity interest in Cheche. The remaining equity interest is measured at fair value and classified as a short-term investment, with a carrying amount of RMB1,806 as of June 30, 2025.
- (ii) The excess input VAT credits represented VAT already paid or borne by the Group’s PRC entities that are qualified as general VAT taxpayers on the goods purchased which will be utilized to offset against future output VAT when calculating the VAT payable. The VAT balance is recorded either in other current liabilities or other current assets on the consolidated balance sheets.

(8) Property, Plant and Equipment, net

Property, plant and equipment, net, is comprised of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Cost:		
Building	10,968	10,480
Office equipment, furniture and fixtures	10,188	8,690
Motor vehicles	2,792	2,261
Leasehold improvements	6,755	5,956
Sub-total	30,703	27,387
Accumulated depreciation	(4,762)	(10,497)
	25,941	16,890
Construction in progress	53,640	53,640
	79,581	70,530

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(8) Property, Plant and Equipment, net (continued)

Depreciation expenses charged were RMB3,545, RMB6,662 and RMB7,815 for the years ended June 30, 2023, 2024 and 2025, respectively. In the year ended June 30, 2025, the Group recorded a loss of RMB991 (2024: RMB1,197, 2023: RMB2,951) related to disposal of furniture, office equipment, fixtures and leasehold improvements due to termination of rental offices in others, net of the consolidated statements of operations and comprehensive loss.

No impairment for property, plant and equipment was recorded for the years ended June 30, 2023, 2024 and 2025.

(9) Goodwill, net

The gross amount of goodwill and accumulated impairment losses by reporting unit as of June 30, 2024 and 2025 are as follows:

	Wealth Management	Insurance Agency	Total
	RMB	RMB	RMB
Gross as of June 30, 2023	-	-	-
Addition for business combination (Note 3(b))	-	542,578	542,578
Gross as of June 30, 2024	-	542,578	542,578
Addition for business combination	-	-	-
Gross as of June 30, 2025	-	542,578	542,578
Accumulated impairment loss as of June 30, 2023	-	-	-
Impairment loss	-	(426,410)	(426,410)
Accumulated impairment loss as of June 30, 2024	-	(426,410)	(426,410)
Impairment loss	-	(116,168)	(116,168)
Accumulated impairment loss as of June 30, 2025	-	(542,578)	(542,578)
Net as of June 30, 2023	-	-	-
Net as of June 30, 2024	-	116,168	116,168
Net as of June 30, 2025	-	-	-

The Group performs annual goodwill impairment test at each year end. In 2024 and 2025 annual test, the Group noted the underperformance of acquired insurance agency business as compared to the projected results from acquisition, mainly due to the impact of newly released industrial regulatory rules capping the commission rates charged by insurance intermediaries, and determined that it was more likely than not that there were indications of impairment for the reporting unit of Insurance Agency. The Group utilized the discounted cash flow model to estimate the fair value of the reporting unit and concluded that the carrying amount of Insurance Agency exceeded its fair value. As a result, an impairment loss on goodwill of RMB426,410 and RMB116,168 was recognized in the consolidated statement of operations and comprehensive loss for the year ended June 30, 2024 and 2025, respectively.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(10) Intangible assets, net

Intangible assets, net, are comprised of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Software and operating system	96,001	96,638
Non-compete agreements	8,175	8,175
Agent resources	137,944	137,944
Insurance brokerage licenses	89,071	86,854
Trade names	142,464	142,464
Sub-total	473,655	472,075
Disposal	(2,218)	-
Total	471,437	472,075
Less: Accumulated amortization	(53,870)	(146,099)
Less: Impairment loss	-	(325,130)
Intangible asset, net	417,567	846

As disclosed in in Note 3(b), the recognized intangible assets including software, non-compete agreements, agent resources, insurance brokerage license and trade names amounting to RMB468,832 in the aggregate were acquired through a business combination transaction on December 31, 2023 and were individually measured at their respective fair values as of the acquisition date. In 2024, the Group disposed an insurance brokerage license amounting to RMB2,218 owned by a majority-owned subsidiary in Hong Kong which was deconsolidated as the Group has lost its control over the subsidiary starting from April 1, 2024 (see details in Note 2(i)).

The Group performs annual intangible assets impairment test at each year end. In 2025 annual test, the Group noted the underperformance of acquired insurance agency business as compared to the projected results from acquisition, mainly due to the impact of newly released industrial regulatory rules capping the commission rates charged by insurance intermediaries, and determined that it was more likely than not that there were indications of impairment for the reporting unit of Insurance Agency. The Group utilized the discounted cash flow model to estimate the fair value of the intangible assets and concluded that the carrying amount of intangible assets exceeded its fair value. As a result, an impairment loss on intangible assets of RMB325,130 was recognized in the consolidated statement of income and comprehensive income for the fiscal year ended June 30, 2025. There were no impairment charges for intangible assets recorded for the years ended June 30, 2023 and 2024.

Amortization expenses for intangible assets recognized for the years ended June 30, 2023, 2024 and 2025 were RMB848, RMB50,837 and RMB92,229, respectively. The intangible assets are impaired as year end of the date and no amortization expenses are expected in next year.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(11) Other non-current assets, net

Other non-current assets consist of the following:

	As of June 30,	
	2024	2025
	RMB	RMB
Equity investments without readily determinable fair value (Note 2(j))(i)	5,401	236,819
Instrument in debt securities with embedded features (Note 2(j))	123,227	123,227
Amount due from a third party (ii)	29,985	31,332
Contingent considerations (iii)	22,267	-
Receivables from certain shareholders as guarantee deposit due to business combinations	33,373	-
Others	4,606	2,873
Sub-total	<u>218,859</u>	<u>394,251</u>
Allowance for current expected credit losses:		
Balance at the beginning of the year	-	(27)
Cumulative-effect adjustment upon adoption of ASU 2016-13	(18)	-
Provision	(9)	(1,660)
Balance at the end of the year	<u>(27)</u>	<u>(1,687)</u>
Other non-current assets, net	<u><u>218,832</u></u>	<u><u>392,564</u></u>

- (i) The amount as of June 30, 2025 mainly represents shares of BGM hold by AIFU. AIFU transferred the equity interests of its intelligent platform consisting of RONS Technologies and its subsidiaries to exchange for BGM. 69,995,661 Class A ordinary shares, valued at US\$2.00 per share. These consideration shares are subject to a lock-up period of 60 months from the closing date. The transaction was closed on January 1, 2025. Subsequently, on May 27, 2025, AIFU transferred 53,466,331 Class A ordinary shares of BGM to third-party investment firms. Following this partial disposal, the Group's shareholding in BGM fell to 16,596,473 Class A ordinary shares, accounting for 8.3% of its equity interest and 0.8% of voting right as of June 30, 2025. Following the reduction in ownership and loss of significant influence, the remaining investment is classified as other non-current asset and measured at cost considering the lock up period of 5 years and low liquidity of BGM.
- (ii) The amount represented the fair value of a term-loan (matures in September 2028) to a third party by AIFU which is comprised of a principal of RMB30,000 and a corresponding interest receivable of RMB1,032 net of allowance of RMB1,047 as of June 30, 2024 and a principal of RMB30,000 and a corresponding interest receivable of RMB2,379 net of allowance of RMB2,697 as of June 30, 2025. The loan bears interest rate 4.5% per annum and is guaranteed by the ultimate controlling owner of the borrower, whom is jointly liable.
- (iii) Contingent considerations represented the fair value as of June 30, 2024 of the partial contingent considerations transferred by AIFU to certain selling shareholders of Zhongrong Smart Finance Information Technology Co., Ltd. ("Zhongrong") and Jilin Zhongji Shi'An Insurance Agency Co., Ltd. ("Zhongji") in business combinations completed in 2023. Pursuant to the share purchase agreement, the selling shareholders shall return certain numbers of ordinary shares back to the Group and/or the Group may incur future payments if necessary conditions have not been satisfied respectively by the end of a lock-up period of three years. The contingent considerations were subsequently measured with changes in fair value reflected in the consolidated statements of operations and comprehensive loss. As of June 30, 2025, AIFU and the selling shareholders mutually agreed to terminate the contingent consideration arrangement under the original agreement. Consequently, the contingent consideration liability was derecognized.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(12) Leases

The Group's lease for office space include only fixed rental payments with no variable lease payment terms. As of June 30, 2024 and 2025, there were no leases that have not yet commenced.

The following represents the aggregate ROU assets and related lease liabilities as of June 30, 2024 and 2025:

	As of June 30,	
	2024	2025
	RMB	RMB
Operating lease ROU assets	105,201	61,958
Current operating lease liabilities	47,271	29,271
Non-current operating lease liabilities	53,856	29,924
Total operating lease liabilities	101,127	59,195

The weighted average lease term and discount rate as of June 30, 2024 and 2025 were as follows:

	As of June 30,	
	2024	2025
Weighted average lease term in years:		
Operating leases	2.74	2.78
Weighted average discount rate:		
Operating leases	3.72%	3.09%

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(12) Leases (continued)

The components of lease expenses for the years ended June 30, 2024 and 2025 were as follows:

	Year ended June 30,	
	2024	2025
	RMB	RMB
Operating lease expense	34,302	50,551
Short term lease expense	1,380	3,579
Total	35,682	54,130

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2025 were as follows:

	Year ended June 30,	
	2024	2025
	RMB	RMB
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	33,973	48,913
Supplemental noncash information:		
Right-of-use assets obtained in exchange for lease obligations net of decrease in right-of-use assets for early determinations	894	2,290

The following table provides maturities of lease liabilities at June 30, 2025:

	Minimum Lease Payment RMB
Year ending June 30:	
2026	30,867
2027	16,070
2028	7,311
2029	5,096
2030	2,567
Thereafter	269
Total remaining undiscounted lease payments	62,180
Less: Interest	2,985
Total present value of lease liabilities	59,195
Less: Current operating lease liabilities	29,271
Non-current operating lease liabilities	29,924

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(13) Variable Interest Entities (“VIEs”)

Historically, foreign ownership of certain parts of the Group’s businesses including fund management services was subject to restrictions under current PRC laws and regulations. The Company is a Cayman Islands company and the government of the Cayman Islands has not entered into a memorandum of understanding on bilateral regulatory cooperation with the China Securities Regulatory Commission (the “CSRC”). Accordingly, the Company was not eligible to conduct the fund management business by directly establishing a foreign-invested fund management company. To comply with PRC laws and regulations and utilize the ability in providing fund management services, the Group conducted its business activities through the VIE, Puyi Bohui, in which the Group owned 0.96% equity interests, and its subsidiaries in China. This structure was dissolved in September 2025 upon the disposal of our wealth management segment, which included the sale of Puyi Consulting, Puyi Bohui, and its subsidiaries, and the termination of all related contractual arrangements.

Separately, PRC laws, regulations, and rules also restrict and impose conditions on direct foreign investment in value-added telecommunication services, and therefore prior to December 27, 2024, the Group operated the internet-based insurance distribution business through its former consolidated VIEs, namely Xinbao Investment, and RONS Technologies, and their subsidiaries. On December 27, 2024, the Group transferred all of the interests in Fanhua RONS Technologies, Xinbao Investment and its subsidiaries to BGM in exchange for 72% of BGM Group Ltd.’s issued and outstanding ordinary shares. This structure was dissolved on December 27, 2024, when the Group transferred all of its interests in these VIEs to BGM in a share exchange transaction. All related contractual arrangements were terminated upon completion of this transaction.

The following is a summary of the contractual agreements that the Group, through the WFOEs, entered into with the consolidated VIEs:

Agreements that Provided the Group Effective Control over Puyi Bohui, Xinbao Investment and Fanhua RONS Technologies

- ***Loan Agreement***

The WFOEs entered into a loan agreement with relevant Nominee Shareholders to provide them loans solely for the purpose of contribution of registered capital of these consolidated VIEs, or the PRC domestic companies. The principal loan amounts equaled to the capital contributions to the PRC domestic companies. The WFOEs had the sole discretion to determine the method of repayment, including requiring the Nominee Shareholders to transfer their equity interests in these PRC domestic companies to the WFOEs or its designated person.

The term of the loan agreement was for ten years, which could be extended only upon written agreement of the parties. If the loan was not extended, then upon its expiration and subject to then applicable PRC laws, the loan could be repaid only with the proceeds from a transfer of the individual shareholder’s equity interests in the PRC domestic companies to the WFOEs or another person or entity designated by them. The WFOEs had the right to accelerate the loan repayment upon certain events, including but not limited to if the individual shareholder resigned or was dismissed from employment by us or if the WFOEs exercised their option to purchase the Nominee Shareholders’ equity interests in the PRC domestic companies pursuant to the Exclusive Option Agreement described below. The loan agreements were terminated in December 2024 and September 2025, respectively, in connection with the disposal of the relevant entities.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(13) Variable Interest Entities (“VIEs”) (continued)

Agreements that Provide the Group Effective Control over Puyi Bohui, Xinbao Investment and Fanhua RONS Technologies (continued)

- ***Equity Interest Pledge Agreement***

The relevant Nominee Shareholders of these PRC domestic companies entered into an equity interest pledge agreement, pledging all of their respective equity interests in these PRC domestic companies as collateral to ensure that these PRC domestic companies fully performed their obligations under the Exclusive Technical and Consulting Services Agreement, Exclusive Option Agreement and Loan Agreement, including the payment of technology and consulting service fees and repayment of the loan and the accrued interests to the WFOEs. The Nominee Shareholders also agreed not to transfer or create any encumbrances adverse to the WFOEs on their equity interests in these PRC domestic companies. During the term of the equity pledge agreement, the WFOEs were entitled to all the dividends declared on the pledged equity interests. The agreement became effective upon registration with relevant administration for industry and commerce (the “AIC”) and remained in effect until all of the obligations of these PRC domestic companies under the Exclusive Technical and Consulting Services Agreement, Exclusive Option Agreement and Loan Agreement had been duly performed or terminated. These obligations, and consequently the pledge agreement itself, were terminated in December 2024 and September 2025, respectively in connection with the disposal of the relevant entities .

- ***Power of Attorney***

Relevant Nominee Shareholders of these PRC domestic companies irrevocably authorized the WFOEs to exercise the rights related to their shareholdings, including attending shareholders’ meetings and voting on their behalf on all matters, including but not limited to matters related to the transfer, pledge or disposition of their respective equity interests in these PRC domestic companies, and appointment of the executive directors and senior management of these PRC domestic companies. The WFOEs had the right to appoint any individual or entity to exercise the power of attorney on its behalf until the shareholder ceased to hold any equity interest in these PRC domestic companies. These power of attorney were for ten years but were terminated in connection with the disposal of the relevant entities in December 2024 and September 2025, respectively, at which point the nominee shareholders ceased to hold their equity interests in these companies..

Agreements that Transfer Economic Benefits to the Group

- ***Exclusive Option Agreement***

Relevant Nominee Shareholders of these PRC domestic companies entered into an exclusive purchase option agreement to irrevocably grant the WFOEs an exclusive option to purchase, or designate one or more persons to purchase, part or all of their equity interests in these PRC domestic companies at the WFOEs’ sole and absolute discretion, when and to the extent permitted by PRC laws. The purchase price was equal to the higher of: (i) the amount of registered capital actually contributed by the equity holder; or (ii) a minimum price permitted under applicable PRC laws. The Exclusive Option Agreements were terminated in December 2024 and September 2025, respectively, in connection with the disposal of the relevant entities.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(13) Variable Interest Entities (“VIEs”) (continued)

- ***Exclusive Technology and Consulting Services Agreement***

Pursuant to Exclusive Technical and Consulting Services Agreement between (i) the WFOEs, and (ii) these PRC domestic companies, the WFOEs agreed to provide these PRC domestic companies with comprehensive business support, technical, consulting and other services including such as training services and other services relating to IT platform and internal control compliance. In exchange, these PRC domestic companies agreed to pay a quarterly fee calculated primarily based on a percentage of its revenues. The agreement has an initial term of one year and was subject to annual renewal upon mutual agreement. The agreement was terminated in September 2025 in connection with the disposal of the relevant entities, which constituted the legal transfer contemplated in its terms.

Because of contractual arrangements with the consolidated VIEs and their Nominee Shareholders, the Group was the primary beneficiary of the consolidated VIEs and their subsidiaries and consolidated them into consolidated financial statements.

Risks in relation to the VIE Arrangement

In the opinion of the Company’s legal counsel, based on PRC laws and regulations in effect during the relevant period: (i) the historical ownership structure relating to the consolidated VIEs of the Company was in compliance with PRC laws and regulations; (ii) the contractual arrangements with the consolidated VIEs and the individual shareholders were legal, valid and binding obligation of such party, and enforceable against such party in accordance with their respective terms; and (iii) the execution, delivery and performance of the consolidated VIEs and its shareholders did not result in any violation of the provisions of the articles of association and business licenses of the VIEs, and any violation of any PRC laws and regulations in effect.

Uncertainties in the PRC legal system could cause the Company’s historical corporate structure to be found in violation of PRC laws or regulations on a retrospective basis. This could have limited the Company’s ability, through the Primary Beneficiary, to enforce its rights under these contractual arrangements while they were in effect. Furthermore, the shareholders of the consolidated VIEs could have had interests that were different from those of the Company, which could have increased the risk that the shareholders would have sought to breach the existing terms of the aforementioned agreements.

In addition, if the historical structure or any of the contractual arrangements were to be found to be in violation of any existing or future PRC laws, the Company may be subject to penalties, which may include but not be limited to fines or other sanctions. The imposition of any such penalties could have a material adverse effect on the Company’s financial condition and results of operations. However, as the contractual arrangements have been terminated and the VIEs disposed of, the risk of operational disruption, license revocation, or deconsolidation has been eliminated.

Summarized below is the information related to the consolidated VIEs, including total assets, total current liabilities, total liabilities, net revenues, total operating costs and expenses, net income (loss) and cash flows after intercompany elimination are as follows:

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(13) Variable Interest Entities (“VIEs”) (continued)

Risks in relation to the VIE Arrangement (continued)

	As of June 30,	
	2024	2025
	RMB	RMB
Total assets	424,525	119,599
Total current liabilities	176,951	32,212
Total liabilities	220,483	39,158

	Year Ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
Net revenues	87,728	144,024	146,160
Operating costs and expenses	(126,620)	(170,787)	(167,203)
Net loss	(23,041)	(37,038)	(4,338)
Net cash used in operating activities	(54,828)	(69,861)	(4,413)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(13) Variable Interest Entities (“VIEs”) (continued)

Risks in relation to the VIE Arrangement (continued)

As of June 30, 2025 there were no consolidated VIE assets that are collateral for the VIE’s obligations or are restricted solely to settle the VIEs’ obligations, other than aforementioned in the restricted cash as described in Note 2(c). In the year ended June 30, 2025, aggregate revenues derived from these VIEs contributed 14.9% of the total consolidated net revenues, based on the corporate structure as of the end of 2025. As of June 30, 2025, the VIEs accounted for an aggregate of 3.6% of the consolidated total assets. The creditors of the VIEs’ third-party liabilities did not have recourse to the general credit of the Company in normal course of business. The Company has not provided any financial support that it was not previously contractually required to provide to the VIEs.

(14) Other Payables and Accrued Expenses

Components of other payables and accrued expenses are as follows:

	As of June 30,	
	2024	2025
	RMB	RMB
Business and other tax payables	78,749	56,764
Refundable deposits from employees and agents	17,726	20,034
Professional fees	8,539	1,102
Accrued expenses to third parties	23,590	25,999
Contributions from members of eHuzhu mutual aid program	36,460	-
Amount due to entities disposed in 2025	-	42,485
Others	5,247	9,169
Total	170,311	155,553

(15) Short-term loan

Short-term loans and total outstanding balance as of June 30, 2024 and 2025 amounted to RMB98,375 and RMB82,050, respectively, which are RMB-denominated borrowings made by the Company’s subsidiaries from financial institutions in mainland China. The Group borrowed RMB98,377 and RMB36,601 one-year loans for its general working capital purposes during the year ended June 30, 2024 and 2025, respectively.

As of June 30, 2024 and 2025, the weighted average interest rates for the outstanding borrowings were approximately 3.5% and 3.5%, respectively, and the unused lines of credit for the short-term loans was RMB101,625 and RMB117,950, respectively.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(16) Employee Benefit Plans

Employees of the Group located in the PRC are covered by the retirement schemes defined by local practice and regulations, which are essentially defined contribution plans.

In addition, the Group is required by law to contribute a certain percentage of applicable salaries for medical insurance benefits, unemployment and other statutory benefits. The contribution percentages may be different from district to district which is subject to the specific requirement of local regime government. The PRC government is directly responsible for the payments of the benefits to these employees.

For the years ended June 30, 2023, 2024 and 2025, the Group contributed and accrued RMB16,092 and RMB53,345 and RMB69,359, respectively.

(17) Income Taxes

Continuing operations

The Company is a tax exempted company incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, upon any payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Subsidiaries in Hong Kong are subject to Hong Kong Profits Tax rate at 16.5%, and foreign-derived income is exempted from income tax. Under the two-tiered profits tax rates regime, the provision for current income taxes of the subsidiaries operating in Hong Kong has been calculated by applying the current rate of taxation of 8.25% for the years ended June 30, 2023, 2024 and 2025.

The Group's subsidiaries and VIEs incorporated in the PRC are subject to the PRC Enterprise Income Tax ("EIT") and a unified 25% enterprise income tax rate, except for certain entities that are entitled to preferential tax treatments.

Preferential EIT rates at 15% is available for qualified enterprises located in the western China regions in an industry sector encouraged by the PRC government. Fanhua Lianxing Insurance Sales Co., Ltd., the Group's wholly-owned subsidiary, which is the holding entity of the Group's life insurance operations, was entitled to a preferential tax rate of 15% for the year ended June 30, 2025.

The Group's subsidiaries that are the PRC tax resident are required to withhold the PRC withholding tax of 10% on dividend payment to their non-PRC resident immediate holding company, unless such dividend payment is qualified for the 5% reduced tax rate under the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "PRC-HK DTA").

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(17) Income Taxes (continued)

The Group accounts for uncertain income tax positions by prescribing a minimum recognition threshold in the financial statements. The Group's liabilities for unrecognized tax benefits were included in other tax liabilities. During the fiscal year ended June 30, 2023, the balance of unrecognized tax benefits is comprised of amounts mainly arising from certain transfer pricing arrangements. During the year ended June 30, 2024, the Group recorded an addition of unrecognized tax benefits amounting to RMB34,368 due to acquisition of AIFU. As of June 30, 2025, the balance of unrecognized tax benefits is comprised of amounts mainly arising from transfer pricing arrangements.

The movements of unrecognized tax benefits are as follows:

	RMB
Balance as of June 30, 2023	13,760
Increase due to acquisition of AIFU	29,863
Increase in unrecognized tax benefits	1,883
Decrease in tax positions	(4,064)
Balance as of June 30, 2024	41,442
Increase in unrecognized tax benefits	-
Decrease in tax positions	(11,282)
Balance as of June 30, 2025	30,160

The uncertain tax positions are related to tax years that remain subject to examination by the relevant tax authorities. Based on the outcome of any future examinations, or as a result of the expiration of statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits for tax positions taken regarding previously filed tax returns, might materially change from those recorded as liabilities for uncertain tax positions in the Group's consolidated financial statements. In addition, the outcome of these examinations may impact the valuation of certain deferred tax assets (such as net operating losses) in future periods. The Group's policy is to recognize interest and penalties accrued on any unrecognized tax benefits, if any, as a component of income tax expense. The Group does not anticipate any significant increases or decreases to its liability for unrecognized tax benefits within the next twelve months.

According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of income taxes is due to computational errors made by the taxpayer. The statute of limitations will be extended to five years under special circumstances, which are not clearly defined, but an underpayment of income tax liability exceeding RMB100 is specifically listed as a special circumstance. In the case of a transfer pricing related adjustment, the statute of limitations is ten years. There is no statute of limitations in the case of tax evasion. During the current year, the Group reversed transfer pricing related uncertain tax position amounting to RMB11,282 when its statute of limitation expired in 2025.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(17) Income Taxes (continued)

Income tax (benefit) expense are comprised of the following:

	Year Ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
Current tax expense	1,160	3,633	(9,636)
Deferred tax (benefit) expense	7,425	9,893	(10,006)
Income tax (benefit) expense	8,585	13,526	(19,642)

The principal components of the deferred income tax assets and liabilities are as follows:

	As of June 30,	
	2024	2025
	RMB	RMB
Deferred tax assets:		
Operating loss carryforward	133,949	173,602
Deductible research and development expenses	5,204	811
Advertising expense	6,538	6,666
Valuation allowances	(115,441)	(171,672)
Total	30,250	9,407
Deferred tax liabilities:		
Fair value adjustments in relation to short-term investments	13,950	101,284
Estimated profit arising from future renewal commissions	92,964	76,297
PRC dividend withholding taxes	26,730	26,729
Fair value adjustments of long-lived assets from business acquisition	101,875	-
Total	235,519	204,310

The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of statutory carry forward periods, the Group's experience with tax attributes expiring unused and tax planning alternatives. Valuation allowances have been established for deferred tax assets based on a more-likely-than-not threshold. The Group's ability to realize deferred tax assets depends on its ability to generate sufficient taxable income within the carry forward periods provided for in the tax law.

The Group had total operating loss carry-forwards of RMB584,217 and RMB713,541 as of June 30, 2024 and 2025, respectively. As of June 30, 2025, the operating loss carry-forwards amounting to RMB19,132 can be carried forward to offset future taxable income and RMB694,409 will expire in the years from 2025 to 2029. During the years ended June 30, 2023, 2024 and 2025, nil, RMB35,403 and RMB188,857, respectively, of tax loss carried forward has been expired and canceled.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(17) Income Taxes (continued)

Reconciliation between the provision for income taxes computed by applying the PRC enterprise income rate of 25% to net income before income taxes and income of affiliates, and the actual provision for income taxes is as follows:

	Year Ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
Loss from operations in mainland China	(32,676)	61,208	701,725
Loss from operations in Hong Kong and others	(2,316)	(562,312)	(1,054,091)
Loss from continuing operations before income taxes and share of loss of affiliates	(34,992)	(501,104)	(352,366)
Statutory tax rate	25%	25%	25%
Income tax benefits at statutory tax rate	(8,748)	(125,276)	(88,091)
Deferred tax effect of tax rate change	(5,751)	-	-
True-up temporary book/tax differences	2,123	70	-
Disposal of a subsidiary	(6,561)	-	-
Expenses not deductible for tax purposes:			
—Entertainment	-	1,192	23,985
—Provision for expected credit losses on other receivables	-	-	131,881
—Other	500	350	179
Effect of tax holidays on concessionary rates granted to PRC entities	3,262	(2,861)	171
Effect of different tax rates of entities operating in other jurisdictions	579	112,158	(101,874)
Change in valuation allowance	23,051	24,407	17,300
Net effect of fair value changes*	-	19,672	5,674
Unrecognized tax benefits arising from certain transfer pricing arrangements	260	(18,096)	(15,828)
Other	(130)	1,910	6,961
Income tax (benefit) expense	<u>8,585</u>	<u>13,526</u>	<u>(19,642)</u>

* *The net effect of fair value changes for the year ended June 30, 2025 is primarily arising from fair value changes in contingent consideration and equity interests held by the Group.*

Additional PRC income taxes that would have been payable without the tax exemption amounted to approximately nil, RMB2,861 and RMB466 for the years ended June 30, 2023, 2024 and 2025, respectively.

If the entities were to be non-resident for PRC tax purposes, dividends paid to it out of profits earned after January 1, 2008 would be subject to a withholding tax. In the case of dividends paid by PRC subsidiaries, the withholding tax would be 10%, whereas in the case of dividends paid by PRC subsidiaries which are 25% or more directly owned by tax residents in the Hong Kong Special Administrative Region, the withholding tax would be 5%. The Group's subsidiary, CNinsure Holdings Limited qualified as Hong Kong resident and was entitled to enjoy a 5% reduced tax rate under Bulletin [2018] No. 9 promulgated by the State Taxation Administration for the years ended June 30, 2023, 2024 and 2025.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(17) Income Taxes (continued)

Aggregate undistributed earnings of the Group's subsidiaries and VIEs in the PRC that are available for distribution to the Group of approximately RMB868,929 and RMB753,238 as of June 30, 2024 and 2025, respectively, are considered to be indefinitely reinvested. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, the Group would have to record a deferred tax liability in respect of those undistributed earnings of approximately RMB43,496 and RMB37,662, respectively.

Under applicable accounting principles, a deferred tax liability should be recorded for taxable temporary differences attributable to the excess of financial reporting over tax basis, including those differences attributable to a more-than-50-percent-owned domestic subsidiary. However, recognition is not required in situations where the tax law provides a means by which the reported amount of that investment can be recovered tax-free and the enterprise expects that it will ultimately use that means.

(18) Mezzanine Equity

On February 6, 2024, the Company issued 22,175 ordinary shares to New Dragon Group (Far East) Limited ("New Dragon" or the "Holder") in exchange for US\$6,254 (approximately RMB44,968) investment in the Company. In 30 days following the expiration of lock-up period of four years, both the Holder and the Company have the option to request to repurchase the shares at 1.2 times of the purchase price paid by New Dragon. The ordinary shares issued to New Dragon features the investor's put right that is considered to be outside of the Company's control and subject to the Holder's option and the occurrence of uncertain future events such as the future trend of the stock price of the Company.

The Group accounted for these redeemable ordinary shares in accordance with ASC 480 "Distinguishing Liabilities from Equity" and recorded such ordinary shares in mezzanine equity between total liabilities and equity, as temporary equity in the Company's consolidated balance sheets.

Given the redemption of these redeemable ordinary shares are subject to the option of the Holder after the lock-up period, the Group subsequently assessed that it is probable that these redeemable ordinary shares will become currently redeemable, and the Group elects to consistently using interest method to accrete changes in the redemption value to the redemption amount over the period from the date of issuance which is the same date that it becomes probable that these shares will become redeemable to the expiration date of the lock-up period. The subsequent increase in the carrying amount of these redeemable ordinary shares is treated as a dividend to the Holder.

As disclosed in Note 20, the Group considered the shares of redeemable ordinary shares that are legally issued and outstanding as outstanding in the calculation of the weighted-average number of ordinary shares outstanding since such shares represent ordinary shares in both legal form and substance.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(19) Capital Structure

Shares Structure

On March 13, 2024, the Company held an extraordinary general meeting (“EGM”) and obtained requisite shareholders’ approval to adopt a dual-class share structure. Under this structure, the authorized share capital was amended into 2,000,000,000 Ordinary Shares of a nominal or par value of US\$0.001 each to US\$2,000,000 divided into (1) 1,950,000,000 Ordinary Shares of a nominal or par value of US\$0.001 each and (2) 50,000,000 Preference Shares of a nominal or par value of US\$0.001 each, and each holder of the Preference Shares shall have twenty (20) votes for each Preference Share. As of June 30, 2024, no preference shares were outstanding, while 4,117,242 ordinary shares and 54,411 redeemable ordinary shares were outstanding.

On October 31, 2024, following resolutions passed at the EGM and separate Class Meeting of the holders of ordinary shares of the Company, the Company amended its authorized share capital to US\$5,000,000 divided into 5,000,000,000 shares, comprising 4,000,000,000 Class A ordinary shares of a nominal or par value of US\$0.001 each and 1,000,000,000 Class B ordinary shares of a nominal or par value of US\$0.001 each, and each Class B ordinary share carrying one hundred votes. Subsequently, all issued ordinary shares were re-designated and re-classified as Class A ordinary shares.

On June 3, 2025, the Company held an EGM and obtained requisite shareholders’ approval to implement a share consolidation, under which every ninety authorized issued and unissued shares of par value US\$0.001 each were consolidated into one share with a par value of US\$0.09 each. Concurrently, the authorized share capital was increased to US\$450,000,000, represented by 5,000,000,000 shares consisting of 4,000,000,000 Class A ordinary shares and 1,000,000,000 Class B ordinary shares, each with a par value of US\$0.09. This approval effected a reverse share split at a ratio of one-for-ninety, effective June 23, 2025. As of June 30, 2025, 9,295,383 Class A ordinary shares were issued, of which 44,810 were held in treasury and 22,395 were redeemable, leaving 9,228,398 Class A ordinary shares outstanding. Concurrently, 6,666,668 Class B ordinary shares were issued and outstanding. Unless indicated or the context otherwise requires, all number of ordinary shares in this report has been retrospectively adjusted for the reverse share split, as if such reverse share split occurred on the first day of the years presented.

Issuance of new shares

As disclosed in Note 3(b), the Company issued 3,156,815 ordinary shares to the shareholders of AIFU to acquire 50.10% equity interests of AIFU in December 2023.

As disclosed in Note 18, the Company issued 22,175 ordinary shares to New Dragon Group (Far East) Limited in exchange for US\$6,254 (approximately RMB44,968) investment in the Company in February 2024, which were classified as mezzanine equity.

On January 2, 2025, the Company issued 5,555,556, 4,444,445 and 1,111,112 Class B ordinary shares to Moonlit Group Ltd, Sea Synergy Limited and Equality Group Ltd, respectively, at a price of US\$0.09 per share in exchange for US\$1,000 (approximately RMB7,299).

Repurchase of ordinary shares

As disclosed in Note 1, in December 2023, the Company repurchased an aggregate of 44,817 ordinary shares from AIFU, representing 1% of the total shares outstanding as of June 30, 2024.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(19) Capital Structure (continued)

Concurrently, the Group entered into a share transfer agreement with AIFU, pursuant to which AIFU, through its wholly-owned subsidiary in China, to acquire 15.41% of the equity interests in Fanhua Puyi Fund Sales Co., Ltd. (“Puyi Fund”), a wholly-owned subsidiary of the Group, for a consideration consisting of the share repurchase price and a cash consideration of approximately RMB10,463.

The Group accounts for repurchased ordinary shares under the par value method and includes such treasury stock as a component of the shareholders’ equity.

(20) Net Loss per Share

There were 178,684 and nil Class A ordinary shares related to employee and non-employee share options or non-vested ordinary shares for the years ended June 30, 2024 and 2025, respectively, which could potentially dilute basic net earnings per share in the future, but which were excluded from the computation of diluted net loss per share for the year ended June 30, 2025, as their effects would have been anti-dilutive.

The computation of basic and diluted net income per ordinary share is as follows:

	Year Ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
<i>Basic:</i>			
Net loss from continuing operations	(43,577)	(515,848)	(336,558)
Less: Net loss attributable to the noncontrolling interests	-	(224,476)	(172,676)
Net loss attributable to owners of the Company from continuing operations	(43,577)	(291,372)	(163,882)
Less: Distributed earnings to New Dragon (Note 18)	-	826	2,141
Net loss attributable to ordinary shares of the Company from continuing operations	(43,577)	(292,198)	(166,023)
Net gain (loss) from discontinued operations	-	3,777	(122,344)
Less: Net income (loss) attributable to the noncontrolling interests	-	2,075	(90,263)
Net income (loss) attributable to ordinary shares of the Company from discontinued operations	-	1,702	(32,081)
Net loss attributable to ordinary shares of the Company	(43,577)	(290,496)	(198,104)
Weighted average number of ordinary shares outstanding	1,005,244	2,586,237	7,609,798
Basic net loss per class A ordinary share from continuing operations	(43.350)	(112.982)	(21.817)
Basic net loss per class A ordinary share from discontinued operations	-	0.658	(4.216)
Basic net loss per class A ordinary share	(43.350)	(112.324)	(26.033)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(20) Net Loss per Share (continued)

	Year Ended June 30,		
	2023	2024	2025
	RMB	RMB	RMB
<i>Diluted:</i>			
Net loss from continuing operations	(43,577)	(515,848)	(336,558)
Less: Net loss attributable to the noncontrolling interests	-	(224,476)	(172,676)
Net loss attributable to owners of the Company from continuing operations	(43,577)	(291,372)	(163,882)
Less: Distributed earnings to New Dragon (Note 18)	-	826	2,141
Less: Net impact on the net income attributable to the Company's shareholders arising from the share-based compensation schemes of AIFU	-	3,164	(3,164)
Net loss attributable to ordinary shares of the Company from continuing operations	(43,577)	(295,362)	(162,859)
Net loss from discontinued operations	-	3,777	(122,344)
Less: Net income attributable to the noncontrolling interests	-	2,075	(90,263)
Net loss attributable to ordinary shares of the Company from discontinued operations	-	1,702	(32,081)
Net loss attributable to ordinary shares of the Company	(43,577)	(293,660)	(194,940)
Weighted average number of ordinary shares outstanding	1,005,244	2,586,237	7,609,798
Weighted average number of dilutive potential ordinary shares from share options and restricted share units	-	-	-
Total	1,005,244	2,586,237	7,609,798
Diluted net loss per class A ordinary share from continuing operations	(43.35)	(114.205)	(21.645)
Diluted net loss per class A ordinary share from discontinued operations	-	0.658	(4.216)
Diluted net loss per class A ordinary share	(43.35)	(113.547)	(25.861)

(21) Distribution of Profits

As stipulated by the relevant PRC laws and regulations applicable to China's foreign investment enterprise, the Group's subsidiaries and VIEs in the PRC are required to maintain non-distributable reserves which include a statutory surplus reserve as of June 30, 2024 and 2025. Appropriations to the statutory surplus reserve are required to be made at not less than 10% of individual company's net profit as reported in the PRC statutory financial statements of the Company's subsidiaries and VIEs. The appropriations to statutory surplus reserve are required until the balance reaches 50% of the registered capital of respective subsidiaries and VIEs.

The statutory surplus reserve is used to offset future losses. These reserves represent appropriations of retained earnings determined according to PRC law and may not be distributed. The accumulated amounts contributed to the statutory reserves were RMB23,064 and RMB23,216 as of June 30, 2024 and 2025, respectively.

Under PRC laws and regulations, there are restrictions on the Company's PRC subsidiaries and VIEs with respect to transferring certain of their net assets to the Company either in the form of dividends, loans, or advances. Amounts of restricted net assets include paid in capital and statutory surplus reserve of the Company's PRC subsidiaries and the net assets of the VIEs in which the Company has no legal ownership, totaling RMB1,717,031 as of June 30, 2025, which were not eligible to be distributed.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(22) Related-party Balances and Transactions

The principal related-party balances as of June 30, 2024 and 2025, and transactions for the years ended June 30, 2023, 2024 and 2025 are as follows:

- (i) On December 28, 2020, Puyi Enterprise Management Consulting Co., Ltd (“Puyi Consulting”), one wholly-owned subsidiary of the Company entered into a framework strategic partnership agreement, or, the “Agreement”, with AIFU. Pursuant to the Agreement, both parties, on the basis of full compliance with relevant regulatory and legal requirements will share customer and channel resources and explore collaboration opportunities on the provision of value-added asset management services to Chinese households, by leveraging both parties’ respective strength in insurance and financial services. On March 7, 2022, Puyi Consulting entered into a supplementary agreement with AIFU. For the years ended June 30, 2023 and the period from July 1, 2023 to December 31, 2023, Puyi Consulting recorded other revenues derived from the provided consulting services of RMB14,651 and RMB3,704, respectively from AIFU and the balance of amounts due from related party as of June 30, 2023 and December 31, 2023 was nil and nil, respectively.
- (ii) As disclosed in Note 1, the Company entered into a share repurchase agreement with AIFU on December 22, 2023, pursuant to which the Company agreed to repurchase all of the 4.46% equity interests. Concurrently, a wholly-owned subsidiary of the AIFU entered into a share transfer agreement with the Company to acquire 15.41% equity interests in Fanhua Puyi Fund Sales Co., Ltd. (“Puyi Fund”), a wholly-owned subsidiary of the Company, at an aggregate consideration including a transfer price for the aforementioned 4.46% equity interests and cash of RMB10,463.

(23) Commitments and Contingencies

Lease commitments

The Group has entered into operating lease agreements for certain offices. Future minimum lease payments under non-cancellable operating leases with initial terms more than one year are included in Note 12.

The total future payments for property management fee related to the non-cancellable operating leases with initial terms in excess of one year as of June 30, 2025 is as following:

	Lease Commitment RMB
Within 1 year	1,970
2-5 years	1,976
Total	3,946

The total future lease payments under the non-cancellable short-term lease agreements, including the agreed property management fee, with respect to the offices and staff dormitories as of June 30, 2025 is as following:

	Lease Commitment RMB
Within 1 year	987
Total	987

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(23) Commitments and Contingencies (continued)

Contingencies

We are involved in disputes and legal or administrative proceedings in the ordinary course of our business.

We are currently involved in a material arbitration proceeding initiated by GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “Claimants”) before the International Centre for Dispute Resolution (ICDR). The Claimants seek damages in excess of US\$124,000 relating to a Securities Purchase Agreement dated April 16, 2024 (the “GEM Agreement”) between us and GEM Global Yield LLC SCS, which contemplated a potential equity investment of up to US\$1,000,000.

The GEM Agreement was negotiated by Mr. Peh Chin Hua, our former Chairman of the board of directors of the Company (the “Board”) (“Former Chairman”), and Mr. Chan Michael Ewe Teik, a third-party intermediary nominated by the Former Chairman, and executed on the Company’s behalf by the Former Chairman.

In August 2024, through an internal investigation, our Board of Directors came to suspect that the Former Chairman, Singapore White Group Pte. Ltd. (“White Group”), an entity controlled by the Former Chairman, and Mr. Chan may have engaged in a fraudulent scheme that defraud the Company through a series of complex transactions, including the GEM Agreement. The investigation revealed that the Former Chairman may have withheld material information from the Board regarding GEM Agreement and White Group Agreement. In September 2024, our Board determined that the GEM Agreement was void due to fraud and resolved to terminate all proposed transactions and cooperation with the Former Chairman and White Group.

Consequently, on July 29, 2025, Claimants filed an arbitration with the ICDR against us concerning the GEM Agreement, seeking claims amounting to over US\$124,000. We filed formal answers on September 4, 2025, denying all allegations asserted by the Claimants. The arbitration is in its early stages, and the final outcome and its potential financial impact on the Company are subject to significant uncertainty.

We believe that the Claimants’ allegations have no merit and we intend to vigorously defend against the claims. However, defending such arbitration could be time-consuming and costly and could divert the attention of our senior management. An unfavorable resolution of this arbitration or any future allegations, lawsuits or proceedings could materially and adversely affect our results of operations and financial condition and the market prices of our Class A ordinary shares. In accordance with applicable accounting standards, the Company has accrued a provision of \$0 for this contingency.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(24) Concentrations of Credit Risk

Concentration risks

Customers accounting for 10% or more of total net revenues excluding estimated renewal commissions are as follows:

	Years ended June 30,					
	2023		2024		2025	
	RMB	% of sales	RMB	% of sales	RMB	% of sales
Company A	*	*	*	*	*	*
Company B	15,360	13.4	*	*	*	*
Company C	14,631	12.8	*	*	*	*
Company D	—	—	132,995	13.8	79,013	10.1
Subtotal	29,991	26.2	132,995	13.8	79,013	10.1

* represented less than 10% of total net revenues for the year.

Customers which accounted for 10% or more of gross accounts receivable plus certain amount of contract assets that are accounted for on a customer-base (“Such Accounts Receivable”) are as follows:

	As of June 30,			
	2024		2025	
	RMB	%	RMB	%
Company A	*	*	*	*
Company D	41,117	21.9	17,060	18.4
Company E	*	*	15,891	17.1
Company F	*	*	9,720	10.5
Company G	*	*	9,670	10.4
Subtotal	41,117	21.9	52,341	56.4

* represented less than 10% of Such Accounts Receivable as of the year end.

The Group performs ongoing credit evaluations of its customers and generally does not require collateral on Such Accounts Receivable.

The Group places its cash and cash equivalents and short-term investments with financial institutions with low credit risk.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation

(a) 2022 Options

On August 12, 2022, AIFU granted share options (“2022 Options”) to its independent directors to purchase up to 4,000,000 ordinary shares of AIFU (equivalent to 10,000 Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025). Pursuant to the option agreements entered into between AIFU and the option grantees, the options are scheduled to vest over a four-year service period starting from the date of grant, with 30% (“Option D1”), 30% (“Option D2”), 20% (“Option D3”) and the remaining 20% (“Option D4”) of the options being vested on August 31 of each of the years starting from 2023 to 2026, respectively, subject to the continuous service of the option grantees. The 2022 Options expire no later than August 1, 2032, subject to earlier termination upon an optionee’s cessation of service. The 2022 Options had an exercise price of US\$0.2305 (RMB1.68) (equivalent to US\$92.2 (RMB672) per Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025) and an intrinsic value of US\$0.002 (RMB0.01) (equivalent to US\$0.80 (RMB4) per Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025) per ordinary share on the date of grant. The fair value of the options was determined by using the Black-Scholes option pricing model.

For the year ended June 30, 2025, changes in the status of total outstanding options, were as follows:

	Number of options	Weighted average exercise price in US\$	Weighted average remaining contractual life (In years)	Aggregate Intrinsic Value US\$
Outstanding as of June 30, 2023	—	—	—	—
Addition due to acquisition of AIFU	10,000	92.2	4.69	—
Outstanding as of June 30, 2024	10,000	92.2	4.69	—
Forfeited	(33)			
Outstanding as of June 30, 2025	9,967	92.2	3.69	

As certain independent director resigned from the Board during the year, the Board approved the acceleration of vesting for all the option granted to the independent director, effective on their resignation date. Options to purchase 33 shares were forfeited for the year ended June 30, 2025.

For the years ended June 30, 2024 and 2025, share-based compensation expenses of RMB1,103 and RMB1,306 were recognized in connection with the 2022 Options, respectively. As of June 30, 2025, unrecognized share-based compensation expense related to unvested share options granted to the independent directors was nil.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(b) Restricted Share Units (“RSUs”)

MAAS’s RSU

On November 19, 2024, the board of the directors of the Company approved the grant of 3,000,000 RSUs to the new chairwoman of the board. Each RSU represented a right to receive one ADS of the Company, with every two ADS representing three Class A ordinary shares. Giving effect to our subsequent ADR facility termination and 1-for-90 reverse share split, the grant was adjusted to 50,000 RSUs, with each RSU representing a right to receive one post-split Class A ordinary share. Pursuant to the agreement entered into between the Company and the grantee, the RSUs are scheduled to vest over a three-year service period starting from the date of grant, with 33.0% to vest on the first anniversary, 33.5% on the second anniversary, and 33.5% on the third anniversary of the grant date from 2025 to 2027, respectively, subject to the continuous service of the grantee. The fair value of the RSUs was measured based on the grant-date market price of the Company’s ADS at US\$0.3067 (equivalent to US\$18.4 per post-split Class A ordinary shares).

During the first half of 2025, the Board of the Company approved the grant of a total of 40,002,240 RUSs to certain management and employees as their severance compensation, with each RSU representing the right to receive one ADS. These RSUs were vested immediately upon grant. Following the termination of our ADR facility and Share Consolidation, these vested RSUs were adjusted to 666,704 RSUs, with each RSU representing the right to receive one post-consolidation Class A ordinary share. The fair value of the RSUs was measured as the grant-date market price of the AIFU’s stock.

A summary of the activity of the service-based RSUs for the year ended June 30, 2025 is presented as follows:

	Number of restricted shares	Weighted average grant-date fair value US\$
Unvested as of June 30, 2023 and 2024	—	—
Granted	716,704	6,522
Vested	(666,704)	
Forfeited	—	
Unvested as of June 30, 2025	<u>50,000</u>	<u>—</u>

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(b) Restricted Share Units (“RSUs”) (continued)

AIFU’s RSU

In August of 2023, AIFU granted 536,990 ADSs (“RSUs”) at par value to one of its executive officers. Each RSU represented a right to receive one ADS of AIFU, with each ADS representing 20 Class A ordinary shares. Giving effect to the subsequent termination of AIFU’s ADS facility and its 1-for-400 reverse share split, the grant was adjusted to 26,850 RSUs, with each RSU representing the right to receive one post-consolidation Class A ordinary share. Pursuant to the option agreement entered into between AIFU and the RSUs grantee, the RSUs are scheduled to vest over a five-year service period, with 5,000 RSUs, 5,000 RSUs, 6,850 RSUs, 5,000 RSUs and the remaining 5,000 RSUs to vest on June 30 of each of the years from 2024 to 2028, respectively, subject to the continuous service of the RSU grantee. The Group recorded a share-based compensation expense of RMB2,600 in general and administrative expenses for the six months ended June 30, 2024. The expense was calculated based on the fair value of the RSUs, which was determined using market price of AIFU’s ADSs of US\$6.35 (equivalent to US\$127 per Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025) at the grant date.

On July 15, 2024, AIFU granted additional 268,200 RSUs to one of its executive officers. Each RSU represented a right to receive one ADS of AIFU. Giving effect to the subsequent termination of AIFU’s ADS facility and its 1-for-400 reverse share split, the grant was adjusted to 13,410 RSUs, with each RSU representing the right to receive one post-consolidation Class A ordinary share. Pursuant to the agreement entered into between AIFU and the grantee, the RSUs shall vest over a two-year service period starting from the date of grant. Upon resignation of this executive office in September 30, 2024, the Board has approved the immediate vesting of a portion of the RSUs representing 40,000 post-split Class A ordinary shares, subject to a lock up period of 30 months and the remaining RSUs granted to him were forfeited. The fair value of the RSUs was measured based on the grant-date market price of AIFU’s ADS at US\$1.42 (equivalent to US\$28.4 per post-split Class A ordinary shares).

On November 17, 2024, AIFU granted 1,000,000 RSUs to the chairwoman of the board of directors of AIFU, with each RSU represented a right to receive one ADS of AIFU. Giving effect to the subsequent ADR facility termination and 1-for-400 reverse share split, the grant was adjusted to 50,000 RSUs, with each RSU representing a right to receive one post-split Class A ordinary share. Pursuant to the agreement entered into between AIFU and the grantee, the RSUs shall vest over a three-year service period, with 30% to vest on the first anniversary, 30% on the second anniversary, and 40% on the third anniversary of the grant date from 2025 to 2027, respectively, subject to the continuous service of the grantee. The fair value of the RSUs was measured based on the grant-date market price of AIFU’s ADS at US\$1.14 (equivalent to US\$22.6 per post-split Class A ordinary shares).

During the first half of 2025, the board of the directors of AIFU approved the grant of a total of 11,000,000 RSUs to certain departing management and employees as severance compensation, representing rights to receive 11,000,000 ADSs. Giving effect to the subsequent ADR facility termination and 1-for-400 reverse share split, the grant was adjusted to 550,000 RSUs, representing rights to receive 550,000 Class A ordinary shares. The RSUs were fully vested upon gran. The fair value was measured based on the grant-date market price of AIFU’s stock.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(b) Restricted Share Units (“RSUs”) (continued)

A summary of the activity of the service-based RSUs for the year ended June 30, 2025 is presented as follows:

	Number of restricted shares	Weighted average grant-date fair value US\$
Unvested as of June 30, 2023	—	—
Granted	—	—
Addition due to acquisition of AIFU vested	26,850	3,410
Forfeited	—	—
Unvested as of June 30, 2024	<u>26,850</u>	<u>—</u>
Granted	613,410	4,862
Vested	(599,205)	—
Forfeited	<u>(260)</u>	<u>—</u>
Unvested as of June 30, 2025	<u><u>40,795</u></u>	<u><u>—</u></u>

The Group recorded share-based compensation expense of RMB2,600 and RMB 90,375 in connection with the RSUs for the year ended June 30, 2024 and 2025, respectively. As of June 30, 2025, unrecognized share-based compensation expense related to unvested RSUs granted to the executive offices is RMB6,651, which is expected to be recognized over a weighted-average period of 2.4 years on a straight-line basis at an amount which at least equals the portion of the grant-date fair value of the RSUs that are vested at that date.

(c) Million Dollar Round Table Options (“MDRT Options”)

2023 Million Dollar Round Table Options (“2023 MDRT Options”)

On February 6, 2023, the board of directors of AIFU granted share options, or the 2023 MDRT Options, to its independent high-performing agents to purchase up to 13,680,000 ordinary shares of the Company (equivalent to 34,000 Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025). Pursuant to the option agreements entered into between the Company and the option grantees, the options are scheduled to vest over a two-year service period starting from the date of the grant, with 50% and the remaining 50% of the options to vest on March 31, 2024 and March 31, 2025, respectively, subject to the continuous service of the option grantees and the achievement of the performance conditions. The 2023 MDRT Options will expire no later than August 1, 2027, subject to earlier termination upon an optionee’s cessation of service. The 2023 MDRT Options had an exercise price of US\$20 (RMB140) and an intrinsic value of US\$125 (RMB888) per Class A ordinary share on the date of grant giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(c) Million Dollar Round Table Options (“MDRT Options”) (continued)

2024 Million Dollar Round Table Options 1 (“2024 MDRT Options 1”)

On April 16, 2024, the board of directors of AIFU granted share options to certain MDRT agents or the 2024 MDRT Option to purchase up to 18,088,000 ordinary shares of the Company (equivalent to 45,220 Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025). Pursuant to the option agreements entered into between the Company and the option grantees, the options vest over a two-year service period starting from the date of grant, with 50% and the remaining 50% of the options being vested on March 31 of each of the years starting from 2025 to 2026, respectively, subject to the continuous service of the option grantees and the achievement of the performance conditions. 2024 MDRT Option expire no later than August 1, 2027, subject to earlier termination upon an optionee’s cessation of service. 2024 MDRT Option has an exercise price of US\$47.24 (RMB343.28) and an intrinsic value of US\$20.0 (RMB148) per ordinary share on the date of grant giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025.

2024 Million Dollar Round Table Options 2 (“2024 MDRT Options 2”)

During the year of 2024, the board of directors of AIFU granted share options to certain newly recruited agents and sales team leaders to purchase up to 8,330,000 ordinary shares of the Company (equivalent to 20,825 Class A ordinary shares giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025). Pursuant to the option agreements entered into between the Company and the option grantees, the options are scheduled to vest over a two-year service period starting from the date of grant, with 50% and the remaining 50% of the options to vest on March 31 of each of the years starting from 2025 to 2026, respectively, subject to the continuous service of the option grantees and the achievement of the performance conditions. 2024 MDRT Option will expire no later than August 1, 2027, subject to earlier termination upon an optionee’s cessation of service. 2024 MDRT Option has an exercise price of US\$20 (RMB145.36) and an intrinsic value with range of US\$28 (RMB192) to US\$64 (RMB344) per ordinary share on the date of grant giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025.

The Group used the binomial option pricing model in determining the fair value of the options granted, which requires the input of highly subjective assumptions, including the expected life of the stock option, stock price volatility, dividend rate and risk-free interest rate. The assumptions used in determining the fair value of the MDRT Options on the grant date were as follows:

Assumptions	2023 MDRT	2024 MDRT 1	2024 MDRT 2
Expected dividend yield (Note i)	3.69%	3.22%	3.22%
Risk-free interest rates (Note ii)	3.88%	4.81%	4.44-4.81%
Expected volatility (Note iii)	51.41%	59.78%	59.78-60.61%
Expected life in years (Note iv)	4.49	3.29	3.1-3.29
Exercise multiple (Note v)	2.80	1.0	1.0
Fair value of options on grant date (Note vi)	US\$115.84~US\$119.88	US\$33.36~US\$33.56	US\$28.44~US\$48.16

(i) Expected dividend yield:

The expected dividend yield was estimated by the Group based on its historical and future dividend policy.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(c) Million Dollar Round Table Options (“MDRT Options”) (continued)

(ii) Risk-free interest rate:

Risk-free interest rate was estimated based on the US Government Bond yield and pro-rated according to the tenor of the options as of the valuation date.

(iii) Expected volatility:

The volatility of the underlying ordinary shares was estimated based on the annualized standard deviation of the continuously compounded rate of return on the daily average adjusted share price of the Group as of the Valuation Date.

(iv) Expected life:

The expected life was estimated based on the end of the vesting period and the contractual term of the award of the Options plan.

(v) Exercise multiple:

The exercise multiple was estimated based on empirical studies.

(vi) Fair value of options on grant date:

The amount was adjusted giving effect to AIFU’s 1-for-400 reverse share split effected on May 21, 2025.

A summary of share options outstanding as of June 30, 2025, and activity during the year then ended, is presented below:

	Number of options	Weighted average exercise price in USD	Weighted average remaining contractual life (In years)	Aggregate Intrinsic Value USD
Outstanding as of June 30, 2023	—	—	—	—
Granted	—	—	—	—
Addition due to acquisition of AIFU	87,795	34.03	3.59	3,192
Exercised	—	—	—	—
Forfeited	(24,403)	—	—	—
Outstanding as of June 30, 2024	63,392	28.76	3.09	467
Granted	6,500	47.24	—	—
Exercised	(525)	—	—	—
Forfeited	(37,472)	—	—	—
Outstanding as of June 30, 2025	<u>31,895</u>	<u>33.32</u>	<u>2.0</u>	<u>—</u>

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(25) Share-based Compensation (continued)

(c) Million Dollar Round Table Options (“MDRT Options”) (continued)

For the year ended June 30, 2024, share-based compensation expense of RMB4,026 was recognized in connection with the MDRT Options. During the year ended June 30, 2025, as the performance conditions for the outstanding share options were not met, the remaining unvested MDRT Options were forfeited, leading to the reversal of related share-based compensation expense of RMB2,976, which had initially been recognized in fiscal year 2024. As of June 30, 2025, unrecognized share-based compensation expense related to unvested MDRT Options is nil.

(d) 2024 Share Options (“2024 Options”)

On February 20, 2024, the Company granted share options (“2024 Options”), to certain directors, executive officers, employees and top agents of the Group to purchase up to 100,193 Class A ordinary shares of the Company as a supplement of salary and benefit packages. Pursuant to the share incentive program entered into between the Company and the option grantees, the options are scheduled to vest over a one-year service period starting from March 31, 2025, subject to the achievement of certain key performance indicators by the option grantees and their continuous service with the Group. As the required performance indicators were not met during the year, the associated share options were fully forfeited. Consequently, the share-based compensation expense that had been recognized in fiscal year 2024 was reversed in fiscal year 2025.

(26) Segment Reporting

The Group uses the management approach to determine operating segments. The management approach considers the internal organization and reporting used by the Group’s chief operating decision maker (“CODM”) for making decisions, allocating resources and assessing performance. The Group’s CODM has been identified as the chief executive officer, who reviews the operating profit or loss for each reporting units when making decisions about allocating resources and assessing performance of the Group.

As of June 30, 2023, the Group managed its business as a single operating segment engaged in the provision of distribution and managing wealth management services in the PRC (the “wealth management segment”).

As of June 30, 2024, after the acquisition of AIFU, the Group operated three segments: (1) the insurance agency segment, which mainly consists of providing agency services for distributing life and non-life insurance products on behalf of insurance companies, (2) the claims adjusting segment, which consists of providing pre-underwriting survey services, claim adjusting services, disposal of residual value services, loading and unloading supervision services, and consulting services, and (3) the wealth management segment.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(26) Segment Reporting (continued)

During the fiscal year ended June 30, 2025, the Group disposed of Meidiya and its subsidiaries, which constituted a discontinued operation. As the discontinued operation previously formed the claims adjusting reportable segment, the comparative segment information has been retrospectively revised to reflect continuing operations only. As of June 30, 2025, the Group operated two segments: (1) the insurance agency segment, which mainly consists of providing agency services for distributing life and non-life insurance products on behalf of insurance companies, and (2) the wealth management segment.

The following table shows the Group's operations by business segment for the years ended June 30, 2023, 2024 and 2025.

	Year ended June 30, 2025			
	Insurance Agency	Wealth Management	Consolidated	Consolidated
	RMB	RMB	RMB	US\$
Total revenues	727,538	53,678	781,216	109,052
Operating costs and expenses:				
Cost of revenues	(391,102)	(6,257)	(397,359)	(55,469)
Payroll expense and employee benefit expenses	(276,546)	(38,480)	(315,026)	(43,976)
Share-based compensation	(33,425)	(39,674)	(73,099)	(10,204)
Amortization expense	(91,524)	(705)	(92,229)	(12,875)
Rental expense	(50,446)	(3,684)	(54,130)	(7,556)
Impairment loss	(441,298)	-	(441,298)	(61,603)
Others operating expenses	(71,106)	(28,310)	(99,416)	(13,877)
Total operating costs and expenses	(1,355,447)	(117,110)	(1,472,557)	(205,560)
Operating loss	(627,909)	(63,432)	(691,341)	(96,508)
Gains or loss from fair value change	(431)	152	(279)	(39)
Investment income	27,041	461	27,502	3,839
Gains from the disposal of subsidiaries	897,398	-	897,398	125,272
Derecognition of a contingent consideration	(22,267)	-	(22,267)	(3,108)
Interest income	23,497	9,364	32,861	4,587
Financial cost	(4,562)	(2)	(4,564)	(637)
Others, net	(489,063)	(102,613)	(591,676)	(82,595)
Loss before income taxes and share of loss of affiliates	(196,296)	(156,070)	(352,366)	(49,189)
Income tax benefit	8,458	11,184	19,642	2,742
Share of loss of affiliates	(3,834)	-	(3,834)	(535)
Net loss	(191,672)	(144,886)	(336,558)	(46,982)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(26) Segment Reporting (continued)

	Year ended June 30, 2024		
	Insurance	Wealth	Consolidated
	Agency	Management	Consolidated
	RMB	RMB	RMB
Total revenues	900,246	62,966	963,212
Operating costs and expenses:			
Cost of revenues	(551,247)	(17,031)	(568,278)
Payroll expense and employee benefit expenses	(199,760)	(60,531)	(260,291)
Share-based compensation	(20,988)	(2,347)	(23,335)
Amortization expense	(49,960)	(877)	(50,837)
Rental expense	(30,759)	(4,923)	(35,682)
Impairment loss	(426,410)	-	(426,410)
Others operating expenses	(36,471)	(25,369)	(61,840)
Total operating costs and expenses	(1,315,595)	(111,078)	(1,426,673)
Operating loss	(415,349)	(48,112)	(463,461)
Gains or loss from fair value change	(73,761)	-	(73,761)
Investment income	21,493	523	22,016
Interest income	8,217	8,993	17,210
Financial cost	(959)	-	(959)
others, net	(292)	(1,857)	(2,149)
Loss before income taxes and share of loss of affiliates	(460,651)	(40,453)	(501,104)
Income tax expense	3,151	(16,677)	(13,526)
Share of loss of affiliates	(1,218)	-	(1,218)
Net loss	(458,718)	(57,130)	(515,848)

	Year ended June 30, 2023		
	Insurance	Wealth	Consolidated
	Agency	Management	Consolidated
	RMB	RMB	RMB
Total revenues	-	114,440	114,440
Operating costs and expenses:			
Cost of revenues	-	(16,136)	(16,136)
Payroll expense and employee benefit expenses	-	(98,618)	(98,618)
Amortization expense	-	(848)	(848)
Rental expense	-	(10,510)	(10,510)
Others operating expenses	-	(47,132)	(47,132)
Total operating costs and expenses	-	(173,244)	(173,244)
Operating loss	-	(58,804)	(58,804)
Investment income	-	13,561	13,561
Interest income	-	8,591	8,591
others, net	-	1,660	1,660
Loss before income taxes and share of loss of affiliates	-	(34,992)	(34,992)
Income tax benefit (expense)	-	(8,585)	(8,585)
Net loss	-	(43,577)	(43,577)

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(27) Subsequent event

(i) Private Placement

On July 3, 2025, the Company entered into a definitive share purchase agreement (the “Agreement”) for a private placement with certain investors. Pursuant to the Agreement, the Company agreed to issue and sell to the investors (i) an aggregate of 10,000,000 Class A ordinary shares, par value US\$0.09 per share, of the Company, at a purchase price of \$2.08 per Class A ordinary share and (ii) warrants to purchase up to 20,000,000 additional Class A ordinary shares of the Company. The transaction is expected to generate approximately US\$21,000 in gross proceeds from the Share Issuance. The exercise price of the warrants is structured in two tranches: 50% of the warrants are exercisable at 200% of the Per Share Purchase Price, with the remaining 50% exercisable at 250%. The Issuance was completed on July 18, 2025.

(ii) Acquisition of Carve Group Ltd

On July 28, 2025, the Company entered into a transaction agreement with Carve Group Ltd (the “Target Company”), Golden Brighter Limited (“GBL”), WJ Management Limited (“WJM”) and Union Chief Limited (“UCL”), the existing shareholders holding 100% equity securities of the Target Company (collectively the “Sellers”). The strategic acquisition of 100% equity interests in Target Company was formally consummated on August 27, 2025. The Company has acquired all equity interests in the Target Company from Sellers. As consideration, the Company issued an aggregate of 195,894,609 Class A ordinary shares with a par value of US\$0.09 per share (the “Consideration Shares”), at an issue price of US\$1.50 per share.

Through this acquisition, the Company indirectly holds full ownership of the Target Company’s subsidiaries, Zhongshen Resources Development (Liaoning) Co., Ltd. and Glyken Bird Nest Technology (Shenzhen) Co., Ltd. This transaction enables the Company to integrate traditional wellness resources with modern biotechnology, supporting its strategic expansion into the healthcare and wellness sector.

(iii) Acquisition of Real Prospect Limited

On July 18, 2025, the Company entered into a transaction agreement with Real Prospect Limited (the “Target Company”), Ace Long Limited (“ALL”) and Arts Wing Limited (“AWL”), the existing shareholders holding 100% equity securities of the Target Company (collectively the “Sellers”). The strategic acquisition of 100% equity interests in Target Company was formally consummated on October 28, 2025. The Company has acquired all equity interests in the Target Company from Sellers. As consideration, the Company issued an aggregate of 98,002,174 Class A ordinary shares with a par value of US\$0.09 per share (the “Consideration Shares”), at an issue price of US\$1.50 per share.

Following the acquisition, the Company will hold full ownership of the Target Company’s subsidiaries, including Qingdao Youdian New Energy Technology Co., Ltd., and a 49% equity interest in Qingdao Huiju Laixi Intelligent Technology Co., Ltd. The Target Group Companies specialize in smart-technology solutions, including mobile EV-charging robots, modular residential energy-storage systems, and fully automated unmanned car-wash equipment. This acquisition is expected to support the Company’s strategic expansion into new-energy technologies and intelligent services.

MAASE INC.
Notes to the Consolidated Financial Statements
(In thousands, except for shares and per share data)

(27) Subsequent event (continued)

(iv) Disposal of Puyi Group Limited

On September 26, 2025, the Company entered into a Shares Sales and Purchases Agreement (the “Agreement”) with Echoes Group Ltd (“Echoes Group” or the “Buyer”). Pursuant to the Agreement, the Company will transfer 100% of the equity interests in its wholly-owned subsidiary, Puyi Group Limited (“Puyi Group”), together with all equity interests in subsidiaries directly or contractually controlled by Puyi Group. The transaction is cash-based, with a total consideration of RMB70,000, and does not constitute a related-party transaction.

The transaction was completed by the end of September 2025 and since then, the Group has ceased all fund product distribution operations.

(v) Subsidiary’s Private Placement

On July 7, 2025, our subsidiary AIFU entered into a definitive share purchase agreement (the “Agreement”) with certain investors, pursuant to which the investors have agreed to subscribe for, and the Company has agreed to issue and sell to the investors, (i) an aggregate of 10,000,000 Class A ordinary shares, par value US\$0.4 per share, of the Company, at a price of \$3.156 per share (the “Per Share Purchase Price”) (the “Share Issuance”), and (ii) a warrant to purchase up to 20,000,000 additional Class A ordinary shares of the Company. 50% of the warrant will be exercisable at 200% of the Per Share Purchase Price, with the remaining 50% exercisable at 250%.

Following the Share Issuance on July 23, 2025, the Company beneficially owns 367,774 Class A ordinary shares and 1,275,000 Class B ordinary shares of AIFU, representing 10.35% of the total issued and outstanding ordinary shares, and 48.55% of the aggregate voting power of AIFU.

MAASE INC.
SCHEDULE I—CONDENSED FINANCIAL INFORMATION OF THE COMPANY

Balance Sheets

(In thousands, except for shares and per share data)

	As of June 30,		
	2024	2025	2025
	RMB	RMB	US\$
ASSETS:			
Current assets:			
Cash and cash equivalents	11,792	243	34
Short term investments	-	4,255	594
Other receivables	-	29,436	4,109
Other current assets	-	430	60
Amounts due from subsidiaries	1,210	928	130
Total current assets	13,002	35,292	4,927
Investments in subsidiaries	1,318,077	664,105	92,705
Total assets	1,331,079	699,397	97,632
LIABILITIES AND EQUITY:			
LIABILITIES:			
Current liabilities:			
Accrued payroll	163	4,956	692
Amounts due from subsidiaries	-	10,415	1,454
Total current liabilities	163	15,371	2,146
Total liabilities	163	15,371	2,146
Mezzanine equity	45,794	47,935	6,691
EQUITY:			
Class A ordinary shares (Authorized shares:40,000,000 at US\$0.09 each; issued 4,162,059 and 9,273,208 shares, of which 4,117,242 and 9,228,398 shares were outstanding as of June 30, 2024 and 2025, respectively)*	2,617	5,973	833
Class B Ordinary shares (Authorized shares:10,000,000 at US\$0.09 each; issued and outstanding nil and 6,666,668 shares as of June 30, 2024 and 2025, respectively)	-	4,379	612
Treasury stock	(29)	(29)	(4)
Additional paid-in capital	1,583,017	1,125,933	157,174
Retained earnings	(298,190)	(494,153)	(68,981)
Accumulated other comprehensive income	(2,293)	(6,012)	(839)
Total equity	1,285,122	636,091	88,795
Total liabilities, mezzanine equity and equity	1,331,079	699,397	97,632

MAASE INC.
SCHEDULE I—CONDENSED FINANCIAL INFORMATION OF THE COMPANY - (continued)

Statements of Operations and Comprehensive Loss
(In thousands)

	Years ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$
General and administrative expenses	(2,084)	(5,759)	(7,292)	(1,018)
Other income, net	286	681	(14,598)	(2,038)
Equity in loss of subsidiaries	(41,771)	(284,592)	(174,073)	(24,300)
Loss before income taxes	(43,569)	(289,670)	(195,963)	(27,356)
Income tax expense	(8)	-	-	-
Net loss	(43,577)	(289,670)	(195,963)	(27,356)
Other comprehensive income, net of tax: Foreign currency translation adjustments	560	(2,460)	(3,718)	(519)
Total Comprehensive loss	(43,017)	(292,130)	(199,681)	(27,875)

MAASE INC.
SCHEDULE I—CONDENSED FINANCIAL INFORMATION OF THE COMPANY - (continued)

Statements of Cash Flows
(In thousands)

	Year Ended June 30,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US\$
Cash flow from operating activities:				
Net loss	(43,577)	(289,670)	(195,963)	(27,356)
Adjustments to reconcile net loss to net cash used in operating activities:				
Equity in earnings of subsidiaries and an affiliate	41,791	284,592	174,073	24,300
Compensation expenses associated with stock options	-	-	1,371	191
Other non-cash adjustments	-	6	(16)	(2)
Changes in operating assets and liabilities:				
Other receivables and other current asset	(731)	(401)	(432)	(60)
Other payables and accrued expense	(218)	163	15,207	2,123
Net cash used in operating activities	(2,735)	(5,310)	(5,760)	(804)
Cash flows from investing activities:				
Purchase of short term investment	-	-	(4,155)	(580)
Payment for purchase of addition shares of subsidiary	-	-	(7,516)	(1,049)
Proceed from sales of shares of a subsidiary	-	-	3,643	509
Capital contribution to a subsidiary	(6,952)	-	(719)	(100)
Net cash used in investing activities	(6,952)	-	(8,747)	(1,220)
Cash flows from financing activities:				
Proceeds on exercise of stock options	-	44,968	-	-
Proceeds of issuance of ordinary shares	-	-	3,001	419
Payment for purchase of non-controlling interests	-	(20,623)	-	-
Payment for repurchase of ordinary shares	-	(10,028)	-	-
Net cash generated from financing activities	-	14,317	3,001	419
Net (decrease) increase in cash and cash equivalents	(9,687)	9,007	(11,506)	(1,605)
Cash and cash equivalents and restricted cash at beginning of year	11,732	2,605	11,792	1,646
Effect of exchange rate changes on cash and cash equivalents	560	180	(43)	(6)
Cash and cash equivalents and restricted cash at the end of the year	2,605	11,792	243	35

MAASE INC.
Note to Schedule I
(In thousands, except for shares)

Schedule I has been provided pursuant to the requirements of Rule 12-04(a), 5-04(c) and 4-08(e)(3) of Regulation S-X, which require condensed financial information as to the 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 when the restricted net assets of the consolidated and unconsolidated subsidiaries (including variable interest entities) together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year.

As of June 30, 2025, RMB1,717,031 of the restricted capital and reserves are not available for distribution, and as such, the condensed financial information of the Company has been presented for the years ended June 30, 2023, 2024 and 2025.

As of June 30, 2025, there were no material contingencies, significant provisions of long-term obligations, and mandatory dividend or redemption requirements of redeemable shares or guarantees of the Company except for those which have been separately disclosed in the consolidated financial statements, if any.

Basis of preparation

The condensed financial information of the Company has been prepared using the same accounting policies as set out in the accompanying consolidated financial statements except that the equity method has been used to account for investments in its subsidiaries.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The footnote disclosures contain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Group as of June 30, 2024 and 2025 and the years ended 2023, 2024 and 2025.

**THE COMPANIES ACT (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
FIFTH AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

Maase Inc.

(ADOPTED BY SPECIAL RESOLUTION PASSED ON JUNE 3, 2025, AND EFFECTIVE ON JUNE 23, 2025)

**THE COMPANIES ACT (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**FIFTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

MAASE INC.

(Adopted by Special Resolution passed on June 3, 2025, and effective on June 23, 2025)

1. The name of the Company is Maase Inc. (the “**Company**”).
 2. The registered office of the Company is situated at the offices of Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands or at such other location as the Directors may from time to time determine.
 3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (as amended) of the Cayman Islands (the “**Companies Act**”).
 4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Act.
 5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
 6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.
 7. The authorised share capital of the Company is **US\$450,000,000** divided into **5,000,000,000** shares consisting of (i) **4,000,000,000** Class A Ordinary Shares of a nominal or par value of **US\$0.09** each; and (ii) **1,000,000,000** Class B Ordinary Shares of a nominal or par value of **US\$0.09** each. Subject to the Companies Act and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preferred or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
 8. The Company may exercise the power contained in Section 206 of the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
 9. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.
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Table of Contents

TABLE A	1
Interpretation	1
Preliminary	4
Shares	4
CONVERSION OF SHARES	7
Modification Of Rights	8
Certificates	8
Fractional Shares	9
Lien	9
Calls On Shares	9
Forfeiture Of Shares	10
Transfer Of Shares	11
Transmission Of Shares	11
Registration Of Empowering Instruments	12
Alteration Of SHARE Capital	12
Redemption, Purchase and Surrender Of Shares	12
Treasury Shares	13
General Meetings	13
Notice Of General Meetings	14
Proceedings At General Meetings	14
Votes Of shareholders	15
Corporations Acting By Representatives At Meetings	16
clearing houses	16
Directors	17
Alternate Director	17
Powers And Duties Of Directors	18
Borrowing Powers Of Directors	19
The Seal	19
Disqualification Of Directors	19
Proceedings Of Directors	20
presumption of assent	21
Dividends	21

Accounts, Audit and annual return and declaration	22
Capitalisation Of reserves	23
Share Premium Account	23
Notices	24
Information	24
Indemnity	25
Financial Year	25
Non-Recognition Of Trusts	25
Winding Up	25
Amendment Of Articles Of Association	26
Closing of register or fixing record date	26
Registration By Way Of Continuation	26
disclosure	26

**THE COMPANIES ACT (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**FIFTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION**

OF

MAASE INC.

(Adopted by Special Resolution passed on June 3, 2025, and effective on June 23, 2025)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Act shall not apply to Maase Inc. (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Affiliate**" means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Board**" and "**Board of Directors**" and "**Directors**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**Chairman**" means the chairman of the Board of Directors;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Class A Ordinary Share(s)**" means class A ordinary shares of par value of US\$0.09 each in the capital of the Company designated as Class A Ordinary Shares, and having the rights provided for in these Articles;

"**Class B Ordinary Share(s)**" means class B ordinary shares of par value of US\$0.09 each in the capital of the Company designated as Class B Ordinary Shares, and having the rights provided for in these Articles;

“**Commission**” means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;

“**Companies Act**” means the Companies Act (as amended) of the Cayman Islands;

“**Company**” means Maase Inc., a Cayman Islands exempted company;

“**Company’s Website**” means the website of the Company, the address or domain name of which has been notified to Shareholders;

“**Designated Stock Exchange**” means the stock exchange in the United States on which any shares of the Company are listed for trading;

“**Designated Stock Exchange Rules**” means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any shares of the Company on the Designated Stock Exchange;

“**electronic**” means the meaning given to it in the Electronic Transactions Act (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“**electronic communication**” means electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by a majority of the vote of the Board;

“**Independent Director**” means a Director who is an independent director as defined in the Designated Stock Exchange Rules;

“**Memorandum of Association**” means the memorandum of association of the Company, as amended or substituted from time to time;

“**Month**” means calendar month;

“**Office**” means the registered office of the Company as required by the Companies Act;

“**Officer**” means the offices for the time being and from time to time of the Company;

“**Ordinary Resolution**” means a resolution:

- (a) passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

“**paid up**” means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;

“**Person**” means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person Shall mean any person or entity permitted to act as such in accordance with the laws of the Cayman Islands;

“**Register**” means the register of Members of the Company required to be kept pursuant to the Companies Act;

“**Seal**” means the common seal of the Company (if adopted) including any facsimile thereof;

“**Secretary**” means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

“**Securities Act**” means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

“**Share**” means a share in the capital of the Company. All references to “**Shares**” herein shall be deemed to be Shares of any or all Classes as the context may require and includes Class A Ordinary Shares and Class B Ordinary Shares. For the avoidance of doubt in these Articles the expression “**Share**” shall include a fraction of a Share;

“**Shareholder**” or “**Member**” means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber;

“**Share Premium Account**” means the share premium account established in accordance with these Articles and the Companies Act;

“**Senior Management**” means a person who serves as the president, any vice president in charge of a principal business unit, division or function, any other officer who performs a policy making function, or any other person who performs similar policy making functions for the Company.

“**Signed**” means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

“**Special Resolution**” means a special resolution of the Company passed in accordance with the Companies Act being a resolution:

- (a) passed by not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

“**Treasury Shares**” means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled;

“**United States**” means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and

“**year**” means calendar year.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

- (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
 - (d) reference to a dollar or dollars (or US\$) and to a cent or cents is reference to dollars and cents of the United States of America;
 - (e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
 - (f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case; and
 - (g) reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.
3. Subject to the last two preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.
5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Companies Act and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. The authorized share capital of the Company at the date of adoption of these Articles is US\$450,000,000 divided into 4,000,000,000 Class A Ordinary Shares of a nominal or par value of US\$0.09 each, and 1,000,000,000 Class B Ordinary Shares of a nominal or par value of US\$0.09 each.
- (a) Subject to Article 111 and Designated Stock Exchange Rules, Class B Ordinary Shares may only be allotted and issued to Directors, Senior Management or holders of the existing Shares and companies wholly owned by such Directors, Senior Management or holders of the existing Shares in the Company’s share capital, at such times and on such terms, considerations and conditions as the Directors, in their absolute discretion, may think fit. Subject to the Companies Act and these Articles, the Directors may, at their own discretion, by a majority of votes, decide on the consideration for issuance, purchase, or otherwise acquire all or any Class B Ordinary Shares of the Company at a price determined by the Directors at their sole discretion
 - (b) Where Class B Ordinary Shares are held by any person who is employed by the Company, upon the termination of the employment relationship with the Company by a holder of Class B Ordinary Shares or by the Company, or who is a director of the Company, upon his or her resignation or removal from the Board, or if the relevant Director, senior management or holders of existing Shares ceases to wholly-own the relevant company(ies) which holds Class B Ordinary Shares, the Director or the Senior Management (as applicable) shall provide prior written notice to the Company and all the Class B Ordinary Shares held by such holder shall be automatically and immediately converted into the same number of Class A Ordinary Shares in accordance with Article 13;

- (c) Each Class B Ordinary Share confers upon the holder: (a) no right to any share in any dividend or distribution declared or paid by the Company and (b) no right to any share in the distribution of the surplus assets of the Company upon liquidation or otherwise, and no Class B Ordinary Share may be sold, transferred, assigned, pledged, or otherwise disposed of, or used as collateral for loans or any obligations.
- (d) Redemption.
- (i) The Company may, at its option, redeem all or any of the Class B Ordinary Shares held by any person at any time, at such price, and in such manner as may be determined by the Board of Directors, in accordance with the provisions set forth in this Article 8(d).
 - (ii) The Board of Directors shall have the sole discretion to determine (A) the specific Class B Ordinary Shares to be redeemed from any holder thereof, (B) the timing of the redemption, (C) the redemption price, which may be at par value, at a premium, or at a discount, (D) the date upon which the redemption price will be paid, and (E) the manner and procedure for the redemption.
 - (iii) The Company shall provide written notice to the Member whose Class B Ordinary Shares are to be redeemed. The notice shall specify (A) the number of Class B Ordinary Shares to be redeemed, (B) the redemption price, (C) the date on which the redemption will occur, (D) the date on which the redemption price will be paid, and (E) any other terms and conditions of the redemption as determined by the Board of Directors.
 - (iv) Upon the redemption date, the Company shall be authorised (without any further action required of or by the relevant Member) to make entries in the Register of Members to record and give effect to the redemption of the relevant Class B Ordinary Shares specified in the notice, which shall be deemed cancelled and shall no longer be outstanding, and the relevant Member shall cease to have any rights with respect to the redeemed Class B Ordinary Shares, except the right to receive the redemption price.
 - (v) The Company shall pay the redemption price to the relevant Member in accordance with the terms specified in the notice of redemption. Payment may be made in cash, by cheque, or by any other method as determined by the Board of Directors.
 - (vi) No redemption price shall bear interest against the Company. Any redemption price which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such redemption price is due to be paid may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the redemption price shall remain as a debt due to the Member. Any redemption price which remains unclaimed after a period of six years from the date on which such redemption price is due to be paid shall be forfeited and shall revert to the Company.
 - (vii) The redemption of any Class B Ordinary Share from any holder shall not oblige the Company to redeem any other Class B Ordinary Share from any other holder.
 - (viii) The redemption of Shares shall be conducted in compliance with the laws of the Cayman Islands and any other applicable regulations.

9. Subject to these Articles (and in particular Article 8 above), all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:
- (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;
 - (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and
 - (c) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

10. The Directors may authorise the division of Shares into any number of Classes and sub-classes and the different Classes and sub-classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by the Shareholders by Ordinary Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of the Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 14 the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Class A Ordinary Shares and Class B Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
- (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
- (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;
- (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
- (e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;
- (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

- (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;
- (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;
- (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
- (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

- 11. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.
- 12. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

CONVERSION OF SHARES

- 13. (a) Each Class B Ordinary Share shall be convertible, at the option of the holder thereof, with the consent of the Directors by a majority of votes at a Board meeting or by the written resolutions of all the Directors, at any time after the date of issuance of such Class B Ordinary Share(s), into one fully paid and non-assessable Class A Ordinary Share. A holder of Class B Ordinary Shares may request conversion of all or any of its Class B Ordinary Shares by delivering a written request to the Company, at the office of the Company or any transfer agent for such Share, specifying the number of Class B Ordinary Shares that it wishes to convert into Class A Ordinary Shares, accompanied by the share certificate(s) (if any) representing the Class B Ordinary Shares to be converted (the “**Existing Share Certificate**”).
- (b) In no event shall Class A Ordinary Shares be converted into Class B Ordinary Shares under any circumstances
- (c) Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to Article 8(b) or this Article 13 shall be effected by any manner permitted under the Companies Act or applicable law, including by means of the re-designation and re-classification of the relevant Class B Ordinary Share as a Class A Ordinary Share or by the repurchase and cancellation of existing Class B Ordinary Shares in consideration for the issue of new Class A Ordinary Shares, and upon such conversion of such shares shall have the same rights and restrictions as, and shall rank pari passu in all respects with, the Class A Ordinary Shares then in issue. Such conversion shall become effective forthwith upon being approved by the Board in accordance with Article 8 above, and entries shall be made in the Register to record the re-designation and re-classification of the relevant Class B Ordinary Shares as Class A Ordinary Shares or by the repurchase and cancellation of existing Class B Ordinary Shares in consideration for the issue of new Class A Ordinary Shares.

- (d) Upon conversion of any Class B Ordinary Shares, and subject to receipt of the Existing Share Certificate in respect of such Class B Ordinary Shares, the Company shall cancel the Existing Share Certificate, and issue new share certificate(s) in respect of the Class A Ordinary Shares resulting from the conversion to the holder thereof (if required), together with a new share certificate for any unconverted Class B Ordinary Shares represented by the Existing Shares Certificate in accordance with these Articles.
- (e) Any and all taxes and stamp, issue and registration duties (if any) arising on conversion shall be borne by the holder of Class B Ordinary Shares requesting conversion.

MODIFICATION OF RIGHTS

- 14. Whenever the capital of the Company is divided into different Classes (and as otherwise determined by the Directors) the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.
- 15. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

- 16. Every Person whose name is entered as a member in the Register shall, without payment, be entitled to a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that person and the amount paid up thereon, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the register.
- 17. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
- 18. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US\$1.00 or such smaller sum as the Directors shall determine.

19. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
20. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

21. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

22. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.
23. The Company may sell, in such manner as the Directors may determine, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.
24. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
25. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

26. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.
27. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
28. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

29. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
30. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.
31. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction by Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

32. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
33. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.
34. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
35. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
36. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.
37. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.
38. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

39. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may determine and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
40. (a) Subject to the terms of issue thereof, the Directors may determine to decline to register any transfer of Shares without assigning any reason therefor.
- (b) The Directors may also decline to register any transfer of any Share unless:
- (i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (ii) the instrument of transfer is in respect of only one Class of Shares;
 - (iii) the instrument of transfer is properly stamped, if required;
 - (iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; or
 - (v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.
41. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers or by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register of Members closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register of Members closed for more than 30 days in any year.
42. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within two months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

TRANSMISSION OF SHARES

43. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.
44. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
45. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

46. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

47. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.
48. The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
 - (b) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived;
 - (c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
 - (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
49. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

50. Subject to the Companies Act and these Articles (in particular, Article 8), the Company may:
- (a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Ordinary Resolution;
 - (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles;
 - (c) make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Companies Act, including out of its capital; and
 - (d) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the Directors may determine.
51. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.
52. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.
53. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie including without limitation, interests in a special purpose vehicle holding assets of the Company or holding entitlement to the proceeds of assets held by the Company or in a liquidation structure.

TREASURY SHARES

54. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Companies Act. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
55. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share.
56. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Companies Act, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.
57. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

GENERAL MEETINGS

58. All general meetings other than annual general meetings shall be called extraordinary general meetings.
59. (a) The Company may hold an annual general meeting but shall not (unless required by the Companies Act) be obliged to hold an annual general meeting.
- (b) At these meetings the report of the Directors (if any) shall be presented.
60. (a) The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- (b) A Members requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than one-third of such of the paid-up capital of the Company as at that date of the deposit carries the right of voting at general meetings of the Company.
- (c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.
- (d) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one 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 months after the expiration of the said 21 days.
- (e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

61. At least ten (10) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent in par value of the Shares giving that right.
62. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

63. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, the appointment and removal of Directors and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.
64. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The holders of Shares being not less than an aggregate of one-third of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
65. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.
66. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
67. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.
68. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

69. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.
70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
71. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
72. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
73. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Act. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

74. Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general meeting or extraordinary general meeting of the Company, each have one (1) vote for each Class A Ordinary Share and one hundred (100) votes for each Class B Ordinary Share and on a poll every Shareholder and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall have one (1) vote for each Class A Ordinary Share and one hundred (100) votes for each Class B Ordinary Share of which he or the Person represented by proxy is the holder.
75. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy), shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
76. Shares carrying the right to vote are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.
77. No Shareholder shall be entitled to vote at any general meeting of the Company unless he is registered as a Shareholder on the record date for such meeting nor unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.
78. On a poll votes may be given either personally or by proxy.
79. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an Officer or attorney duly authorised. A proxy need not be a Shareholder.

80. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.
81. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

- (a) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four (24) hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than forty-eight (48) hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

82. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
83. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

84. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

CLEARING HOUSES

85. If a clearing house (or its nominee) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation.

DIRECTORS

86. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three Directors, the exact number of Directors to be determined from time to time by the Board of Directors.
- (b) The Board of Directors shall have a Chairman removed, elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
- (c) The Company may by Ordinary Resolution appoint any Person to be a Director.
- (d) The Directors may by the affirmative vote of a simple majority of the Directors present and voting at a Board meeting, appoint any person to be a Director either to fill a vacancy on the Board or as an addition to the existing Board.
- (e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.
87. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.
88. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
89. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.
90. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.
91. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR

92. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be authorised to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors. Every such alternate shall be entitled to attend and vote at meetings of the Directors as the alternate of the Director appointing him and where he is a Director to have a separate vote in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an Officer solely as a result of his appointment as an alternate other than in respect of such times as the alternate acts as a Director. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

POWERS AND DUTIES OF DIRECTORS

93. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
94. Subject to these Articles, the Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
95. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.
96. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
97. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an “Attorney” or “Authorised Signatory”, respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.
98. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
99. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.
100. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

101. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
102. The Directors may agree with a Shareholder to waive or modify the terms applicable to such Shareholder's subscription for Shares without obtaining the consent of any other Shareholder; provided that such waiver or modification does not amount to a variation or abrogation of the rights attaching to the Shares of such other Shareholders.

BORROWING POWERS OF DIRECTORS

103. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

104. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
105. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.
106. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

107. The office of Director shall be vacated, if the Director:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
 - (b) dies or is found to be or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company; or
 - (d) is prohibited by any applicable law or Designated Stock Exchange Rules from being a Director;
 - (e) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or
 - (f) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

108. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Save for the matters set out in Article 86(b) and 86(d), a question or proposal which arises at a Board meeting shall be decided, resolved, approved or adopted by a majority of votes which are cast by the Directors present and voting at such Board meeting. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
109. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
110. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be two or more Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
111. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is to be regarded as interested in any contract or other arrangement which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
112. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
113. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
114. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:
- (a) all appointments of Officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

115. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
116. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.
117. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
118. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
119. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.
120. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, a question or proposal which arises at a meeting of such committee shall be decided, resolved, approved or adopted by a majority of votes and in the case of an equality of votes which are cast by the Directors present and voting at such Board meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.
121. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

122. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

123. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Companies Act and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
124. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

125. The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the determination of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
126. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
127. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie and may determine the extent to which amounts may be withheld therefrom (including, without limitation, any taxes, fees, expenses or other liabilities for which a Shareholder (or the Company, as a result of any action or inaction of the Shareholder) is liable).
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.
129. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
130. No dividend shall bear interest against the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
134. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.
135. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
136. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
137. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

138. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

139. Subject to the Companies Act and these Articles, the Directors may:
- (a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;
 - (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or
 - (ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;
 - (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;
 - (d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:
 - (i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or
 - (ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,and any such agreement made under this authority being effective and binding on all those Shareholders; and
 - (e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

SHARE PREMIUM ACCOUNT

140. The Directors shall in accordance with the Companies Act establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
141. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the determination of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Act, out of capital.

NOTICES

142. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile or by placing it on the Company's Website should the Directors deem it appropriate provided that the Company has obtained the member's prior express positive confirmation in writing to receive notices in such manner. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
143. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
145. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

146. Any notice or document delivered or sent in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

148. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

149. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

150. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other Officer (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

151. No Indemnified Person shall be liable:

- (a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or
- (b) for any loss on account of defect of title to any property of the Company; or
- (c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
- (d) for any loss incurred through any bank, broker or other similar Person; or
- (e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or
- (f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction.

FINANCIAL YEAR

152. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

153. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Act requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

154. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

155. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

156. Subject to the Companies Act and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

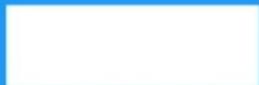
157. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 30 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
158. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.
159. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

160. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

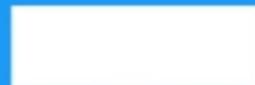
DISCLOSURE

161. The Directors, or any service providers (including the Officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.



CERTIFICATE NUMBER

Maase Inc.



SHARES

INCORPORATED UNDER THE LAWS OF THE CAYMAN ISLANDS

PAR VALUE \$0.09
CLASS A ORDINARY SHARES

CUSIP NO.

THIS CERTIFIES THAT

Is The Owner Of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE CLASS A ORDINARY SHARES PAR VALUE OF \$0.09 EACH OF

MAASE INC.

TRANSFERABLE ON THE BOOKS OF THE CORPORATION IN PERSON OR BY DULY AUTHORIZED ATTORNEY UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED. THIS CERTIFICATE IS NOT VALID UNTIL COUNTERSIGNED BY THE TRANSFER AGENT AND REGISTERED BY THE REGISTRAR.

WITNESS THE FACSIMILE SEAL OF THE CORPORATION AND THE FACSIMILE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.

MIN ZHOU
CEO

YUANFEN YANG
CFO



DATED:

COUNTERSIGNED AND REGISTERED:
TRANSHARE CORPORATION
Transfer Agent

By

Authorized Signature

Bayside Center 1, 17755 N. US Highway 19, Suite 140, Clearwater, FL 33764
303.662.1112

Description of Securities

Registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)

Class A ordinary shares of Maase Inc. (“we,” “our,” “our company,” or “us”), are listed and traded on the Nasdaq Global Market and, in connection with this listing (but not for trading), the Class A ordinary shares are registered under Section 12(b) of the Exchange Act. This exhibit contains a description of the rights of the holders of ordinary shares including Class A ordinary shares and Class B ordinary shares (collectively “Ordinary Shares”).

Description of Ordinary Shares

The following is a summary of material provisions of our currently effective fifth amended and restated memorandum and articles of association (the “Memorandum and Articles of Association”), as well as the Companies Act (As Revised) of the Cayman Islands (the “Companies Act”) insofar as they relate to the material terms of our Ordinary Shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which has been filed with the SEC as an exhibit to annual report on Form 20-F filed with the Securities and Exchange Commission on October 29, 2025.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Our authorized share capital is US\$450,000,000 divided into 5,000,000,000 shares consisting of (i) 4,000,000,000 Class A Ordinary Shares of a nominal or par value of US\$0.09 each; and (ii) 1,000,000,000 Class B Ordinary Shares of a nominal or par value of US\$0.09 each. Subject to the Companies Act and the Memorandum and Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided. All of our issued and outstanding ordinary shares are fully paid and non-assessable. The number of ordinary shares issued and outstanding as of the last day of the Company’s fiscal year is provided on the cover of the annual report on Form 20-F (the “Form 20-F”) of the Company for that fiscal year. Certificates representing the ordinary shares are issued in registered form. We may not issue shares to bearer.

Preemptive Rights (Item 9.A.3 of Form 20-F)

Our shareholders do not have preemptive rights.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

Not applicable.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Ordinary Shares (Item 10.B.3 of Form 20-F)

Dividend Rights. The holders of our Class A ordinary shares are entitled to such dividends as may be declared by our board of directors, or by ordinary resolution of our shareholders (provided no dividend shall exceed the amount recommended by our directors), subject to the Companies Act and the Memorandum and Articles of Association. Each Class B ordinary shares confers upon the holder no right to any share in any dividend or distribution paid by the Company.

Voting Rights. Holders of Class A ordinary shares and Class B ordinary shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general meeting or extraordinary general meeting of our Company, each have one (1) vote for each Class A ordinary Share and one hundred (100) votes for each Class B ordinary share and on a poll every Shareholder and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall have one (1) vote for each Class A ordinary share and one hundred (100) votes for each Class B ordinary share of which he or she or the Person represented by proxy is the holder.

No business shall be transacted at any general meeting unless a quorum of holders of shares is present at the time when the meeting proceeds to business. The holders of shares being not less than an aggregate of one-third of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.

A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of our Company (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of our Company duly convened and held.

Transfer of Ordinary Shares. Subject to the restrictions of our Memorandum and Articles of Association, as applicable, any of our shareholders may transfer all or any of his or her Class A ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board. No Class B Ordinary Share may be sold, transferred, assigned, pledged, or otherwise disposed of, or used as collateral for loans or any obligations.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share, at the option of the holder, subject to approval by no less than two-thirds of the board of directors or by written resolutions of all the directors. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares under any circumstances. Class B Ordinary Shares shall be automatically and immediately converted into an equal number of Class A Ordinary Shares under the following circumstances: (i) if the holder is an employee, upon the termination of their employment (howsoever arising) with the Company; (ii) if the holder is a Director, upon their resignation or removal from the board of directors; and (iii) if the holder is a wholly-owned company ("Owned Company") of a director, senior management, or an existing shareholder, upon the individual ceasing to wholly own the Owned Company.

Liquidation. On a return of capital on winding up, the whole or any part of the assets of our Company (whether they shall consist of property of the same kind or not) may be distributed among the holders of Class A ordinary shares as determined by the liquidator, subject to sanction of a special resolution of our company and any other sanction required by the Companies Act. Each Class B Ordinary Share confers upon the holder no right to any share in the distribution of the surplus assets of the Company upon liquidation or otherwise.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders in respect of any moneys unpaid on their shares and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to our Company at the time or times so specified the amount called on such Shares. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Redemption, Repurchase and Surrender of Shares. Subject to the Companies Act and the Memorandum and Articles of Association, we may (i) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of our Company or the Shareholder on such terms and in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by ordinary resolution; (ii) purchase our own Shares (including any redeemable Shares) on such terms and in such manner as have been approved by the Board or by the holders of our shares by ordinary resolution, or are otherwise authorized by the Memorandum and Articles of Association; (iii) make a payment in respect of the redemption or purchase of its own Shares in any manner authorized by the Companies Act, including out of its capital; and (iv) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the directors may determine. The Company may, at its option, redeem all or any of the Class B Ordinary Shares held by any person at any time, at such price, and in such manner as may be determined by the board of directors, in accordance with our articles of association.

Inspection of Books and Records. No Shareholder (not being a director) shall have any right of inspecting any account or book or document of our Company except as conferred by law or authorized by the directors or by ordinary resolution. However, we make our annual reports, which contain our audited financial statements, available to our shareholders.

Requirements to Change the Rights of Holders of Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares. If at any time, our share capital is divided into different classes of Shares, the rights attached to any class of Shares, subject to any rights or restrictions for the time being attached to any class of Shares, may only be materially varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of the class by a majority of two-thirds of the votes cast at such meeting. The rights conferred upon the holders of the Shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be materially adversely varied by the creation or issue of further Shares ranking *pari passu* with such existing class of Shares.

Limitations on the Rights to Own Ordinary Shares (Item 10.B.6 of Form 20-F)

Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. There are no limitations under the laws of the Cayman Islands or under the Memorandum and Articles of Association that limit the right of non-resident or foreign owners to hold or vote ordinary shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Our Memorandum and Articles of Association contain provisions which have the potential to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. For instance, our board of directors may, in their absolute discretion and without approval of the holders of our Ordinary Shares, cause our Company to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, voting rights and terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our Ordinary Shares at such time and on such terms as they may think appropriate. In the event these preferred shares have better voting rights than our ordinary shares, in the form of ADSs or otherwise, they could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions under Cayman Islands law applicable to our Company, or under our Memorandum and Articles of Association, that require our Company to publicly disclose shareholder ownership above any particular ownership threshold.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act of the Cayman Islands is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments, and accordingly there are significant differences between the Companies Act of the Cayman Islands and the current Companies Act of England. In addition, the Companies Act of the Cayman Islands differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act of the Cayman Islands applicable to us and the laws applicable to companies incorporated in the State of Delaware and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a “consolidation” means the combination of two or more constituent companies into a combined company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to (amongst other matters) the solvency of the consolidated or surviving company, a statement of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate, compromises or arrangements between a Cayman Islands company and its members (or any class of them).

Following amendments to the Companies Act that took effect on August 31, 2022, the majority-in-number “headcount test” in relation to the approval of members’ schemes of arrangement has been abolished. Section 86(2A) of the Companies Act provides that, if 75% in value of the members (or class of members) of a Cayman Islands company agree to any compromise or arrangement, such compromise or arrangement shall, if sanctioned by the Cayman Court, be binding on all members (or class of members) of such company and on the company itself. Where a Cayman Islands company is in the course of being wound up, such compromise or arrangement would be binding on the liquidator and contributories of the company. In contrast, section 86(2) of the Companies Act continues to require (a) approval by a majority in number representing 75% in value; and (b) the sanction of the Grand Court of the Cayman Islands, in relation to any compromise or arrangement between a company and its creditors (or any class of them). At the initial directions hearing, the Cayman Islands court will make orders for (amongst other things) the convening of the meetings of creditors or members (or classes of them, as applicable). While a dissenting shareholder or creditor has the right to express to the court the view that the transaction ought not to be approved, the court would nevertheless be likely to approve the arrangement if it determines that:

- the company has complied with the directions set down by the Cayman Islands court;
- the meeting was properly held and the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class; and
- the arrangement is such that it may be reasonably approved by an intelligent and honest man of that class acting in respect of his/her interest.

If a compromise or arrangement of a Cayman Islands company is approved by the members in the context of a members’ scheme and the Cayman Islands court subsequently sanctions such scheme (as described above), a dissenting shareholder would have no rights comparable to the appraisal rights which it would have if the company in question were a Delaware corporation (being the right to receive payment in cash for the judicially determined value of its shares). This is because such scheme will be binding on all members (or class of members), regardless of whether all the members (or class of members) approved the scheme, upon the sanction order being made. Having said that, a dissenting shareholder would have the right to appeal the making of the sanction order to the Cayman Islands Court of Appeal, if there were grounds for doing so.

Shareholders’ Suits.

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company and as a general rule a derivative action may ordinarily not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected (and have had occasion) to apply and follow common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a minority shareholder may be permitted to commence a class action against the company or a derivative action in the name of the company to challenge certain acts, including the following:

- an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders;
- an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of our company; and
- an act which requires a resolution with a qualified (or special) majority (i.e. more than a simple majority) which has not been obtained.

Indemnification. Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Our Memorandum and Articles of Association provide for indemnification of every director, secretary, assistant secretary, or other officer (but not including our auditors) and the personal representatives of the same for actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such person, other than by reason of such person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of our business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such person in defending (whether successfully or otherwise) any civil proceedings concerning our Company or its affairs in any court whether in the Cayman Islands or elsewhere.

We have entered into indemnification agreements with our directors and executive officers to indemnify and hold harmless the indemnitee from and against any and all expenses which the indemnitee incurs or becomes obligated to incur in connection with such proceeding, to the fullest extent permitted by applicable law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under the foregoing provisions, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our Memorandum and Articles of Association as amended and restated from time to time.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our Memorandum and Articles of Association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held, and any such resolution in writing shall be as valid and effective as if the same had been passed at a general meeting of our company duly convened and held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Memorandum and Articles of Association allow our shareholders holding not less than one-third of the voting share capital of our Company as at the date of deposit of the requisition to requisition a shareholder's meeting, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our Memorandum and Articles of Association do not provide our shareholders other right to put proposal before a meeting. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. While there is nothing under the laws of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of directors of our company, it is not a concept that is accepted as a common practice in the Cayman Islands, and our company has made no provisions in our Memorandum and Articles of Association to allow cumulative voting for election of our directors. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of our company are required to comply with the fiduciary duties which they owe to our company under Cayman Islands law, including the duty to ensure that, in their opinion, any such transactions entered into are bona fide in the best interests of our company, and are entered into for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

(a) is or is likely to become unable to pay its debts; and

(b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our Memorandum and Articles of Association, our Memorandum and Articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association which require our company to disclose shareholder ownership above any particular ownership threshold.

Changes in Capital (Item 10.B.10 of Form 20-F)

Our Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe.

Subject to our Memorandum and Articles of Association, our Company may by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- subdivide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; and
- convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Our Company may by special resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

List of Subsidiaries and Affiliated Entities
(As of October 29, 2025)

Subsidiaries and Affiliated Entities ⁽¹⁾	Percentage Attributable to Our Company	Place of Incorporation
1. Puyi Group Limited ⁽²⁾	100%	BVI
2. AIFU Inc. (previously known as AIX Inc., Fanhua Inc. and CNinsure Inc.) ⁽³⁾	10.35%	CI
3. Carve Group Ltd. ⁽²⁾	100%	BVI
4. Yunshang Management Company Limited. ⁽⁴⁾	100%	HK
5. Shenzhen Hillstar Management Consulting Co., Ltd. ⁽⁵⁾	100%	PRC
6. Puyi Dake Information Technology Co., Ltd. ⁽⁶⁾	100%	PRC
7. Zhongshen Resources Development (Liaoning) Co., Ltd. ⁽⁶⁾	100%	PRC
8. Glyken Bird Nest Technologies (Shenzhen) Co., Ltd. ⁽⁶⁾	100%	PRC
9. Guangxi Free Trade Zone Yanwo Bio-technology Co., Ltd. ⁽⁷⁾	90%	PRC
10. Yanwa Brand Operation (Shenzhen) Co., Ltd. ⁽⁸⁾	100%	PRC
11. Yanwo Health Food Technologies (Shenzhen) Co., Ltd. ⁽⁸⁾	100%	PRC
12. Yan Ben Se Food Technologies (Shenzhen) Co., Ltd. ⁽⁹⁾	40%	PRC
13. Real Prospect Limited ⁽⁴⁾	100%	HK
14. Shenzhen Guibao Intelligent Management Co., Ltd. ⁽¹⁰⁾	100%	PRC
15. Qingdao Youdian New Energy Technology Co., Ltd. ⁽¹¹⁾	100%	PRC
16. Qingdao Huiju Lai Xi Intelligent Technology Co., Ltd. ⁽¹²⁾	49%	PRC
Subsidiaries and Affiliated Entities ⁽¹⁾ of AIFU Inc.		
1. CISG Holdings Ltd. ⁽¹³⁾	10.35%	BVI
2. BWWS Limited ⁽¹³⁾	10.35%	Hong Kong SAR
3. Minkfair Insurance Management Limited ⁽¹⁴⁾	10.35%	Hong Kong SAR
4. CNinsure Holdings Ltd. ⁽¹⁵⁾	10.35%	BVI & Hong Kong SAR
5. Fanhua Zhonglian Enterprise Image Planning (Shenzhen) Co., Ltd. ⁽¹⁶⁾	10.35%	PRC
6. Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd. ⁽¹⁶⁾	10.35%	PRC
7. Fanhua Insurance Sales Service Group Company Limited ⁽¹⁷⁾	10.35%	PRC
8. Fanhua Yuntong Enterprise Management Advisory (Shenzhen) Co., Ltd. (Previously known as Shenzhen Bangbang Auto Services Co., Ltd.) ⁽¹⁸⁾	10.35%	PRC
9. Ying Si Kang Information Technology (Shenzhen) Co., Ltd. ⁽¹⁸⁾	10.35%	PRC
10. Tibet Zhuli Technologies Co. Ltd. ⁽¹⁹⁾	10.35%	PRC
11. Hainan Yueshi Investment Co., Ltd. ⁽¹⁹⁾	10.35%	PRC
12. Sichuan Yihe Investment Co., Ltd. ⁽²⁰⁾	10.35%	PRC
13. Zhongrong Smart Finance Information Technology Co., Ltd. ⁽²¹⁾	5.98%	PRC
14. Rong Hui Hui (Qingdao) Technologies Service Co., Ltd. Rong Hui Hui (Qingdao) Technologies Service Co., Ltd. ⁽²²⁾	5.98%	PRC
15. Zhinengxin (Shenzhen) Technologies Co., Ltd. ⁽²³⁾	10.35%	PRC
16. Hainan Shangqing Investment Co., Ltd. ⁽²⁴⁾	10.35%	PRC
17. Beijing Fangyuan Culture Media Co. Ltd. ⁽²⁴⁾	10.35%	PRC
18. Qilinfu Capital (Shenzhen) Co., Ltd. ⁽²⁴⁾	10.35%	PRC
19. Jugou (Shenzhen) Technologies Co., Ltd. ⁽²⁵⁾	10.35%	PRC

Insurance Agencies and Brokers

20.	Fanhua Lianxing Insurance Sales Co., Ltd. ⁽²⁶⁾	10.4%	PRC
21.	Liaoning Fanhua Gena Insurance Agency Co., Ltd. ⁽²⁷⁾	10.4%	PRC
22.	Shanghai Fanhua Guosheng Insurance Agency Co., Ltd. ⁽²⁷⁾	10.4%	PRC
23.	Hunan Fanhua Insurance Agency Co., Ltd. ⁽²⁸⁾	8.0%	PRC
24.	Kafusi Insurance Brokerage Co., Ltd. ⁽²²⁾	5.98%	PRC
25.	Hebei Xiong'an Fanhua Insurance Brokerage Co., Ltd. (Formerly known as Beijing Smart Finance Insurance Brokerage Co., Ltd.) ⁽¹⁸⁾	10.35%	PRC
26.	Jilin Zhongji Shi'an Insurance Agency Co., Ltd. ⁽²⁹⁾	5.3%	PRC

Family Office Service Firms

27.	Fanhua Puyi Family Office (Beijing) Co., Ltd. ⁽³⁰⁾	10.35%	PRC
28.	Puyi Family Office (Chengdu) Enterprise Management Consulting Co., Ltd. ⁽³¹⁾	10.35%	PRC

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- (1) The official names of those companies registered in PRC are in Chinese. The English translation is for reference only.
- (2) 100% of the equity interests in these companies are held directly by Maase.
- (3) 10.35% equity interests and 48.55% voting power in this company are held directly by Maase.
- (4) 100% of the equity interests in these companies are held directly by Carve Group Ltd.
- (5) 100% of the equity interests in this company are held directly by Yunshang Management Company Limited.
- (6) 100% of the equity interests in these companies are held directly by Shenzhen Hillstar Management Consulting Co., Ltd.
- (7) 90% of the equity interests in this company are held directly by Glyken Bird Nest Technology (Shenzhen) Co., Ltd.
- (8) 100% of the equity interests in these companies are held directly by Glyken Bird Nest Technology (Shenzhen) Co., Ltd.
- (9) 40% of the equity interests in this company are held directly by Glyken Bird Nest Technology (Shenzhen) Co., Ltd.
- (10) 100% of the equity interests in this company are held directly by Real Prospect Limited.
- (11) 100% of the equity interests in this company are held directly by Shenzhen Guibao Intelligent Management Co., Ltd.
- (12) 49% of the equity interests in this company are held directly by Qingdao Huiju Lai Xi Intelligent Technology Co., Ltd.
- (13) 100% of the equity interests in these companies are held directly by AIFU Inc.
- (14) 100% of the equity interests in this company are held directly by CISG holdings Ltd.
- (15) 100% of the equity interests in this company are held directly by Minkfair Insurance Management Limited.
- (16) 100% of the equity interests in these companies are held directly by CNinsure Holdings Ltd.
- (17) AIFU Inc. beneficially owns 100% equity interests in this Company, of which 7.2%, 10.8% and 82% of the equity interests in this company are held by Fanhua Zhonglian Enterprise Image Planning (Shenzhen) Co., Ltd., Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd and Tibet Zhuli Investment Co. Ltd., respectively.
- (18) 100% of the equity interests in these companies are held directly by Fanhua Insurance Sales Service Group Company Limited.
- (19) 100% of the equity interests in these companies are held directly by Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd.
- (20) AIFU Inc. beneficially owns 100% equity interests in this company, of which 39.14%, 40.86% and 20% of the equity interests in this company are held by Fanhua Zhonglian Enterprise Image Planning (Shenzhen) Co., Ltd., Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd. and Fanhua Insurance Sales Group Company Limited, respectively.
- (21) 57.73% of the equity interests in this company are held directly by Fanhua Insurance Sales Service Group Co. Ltd.
- (22) 100% of the equity interests in these companies are held directly by Zhongrong Smart Finance Information Technology Co. Ltd.
- (23) 100% of the equity interests in this company are held directly by Hainan Yueshi Investment Co., Ltd.
- (24) 100% of the equity interests in these companies are held directly by Fanhua Zhonglian Enterprise Image Planning (Shenzhen) Co., Ltd.
- (25) 100% of the equity interests in this company are held directly by Hainan Shangqing Investment Co., Ltd.
- (26) AIFU Inc. beneficially owns 100% of the equity interests in this company, of which 99% of the equity interests in this company are held directly by Fanhua Insurance Sales Service Group Company Limited., Ltd. and the remaining 1% by Fanhua Xinlian Information Technology Consulting (Shenzhen) Co., Ltd.
- (27) 100% of the equity interests in each of these companies are held directly by Fanhua Lianxing Insurance Sales Co., Ltd.
- (28) 77% of the equity interests in this company are held directly by Fanhua Lianxing Insurance Sales Co., Ltd.
- (29) 51% of the equity interests in this company are held directly by Ying Si Kang Information Technology (Shenzhen) Co., Ltd.
- (30) 100% of the equity interests in these companies are held directly by Tibet Zhuli Investment Co., Ltd.
- (31) 100% of the equity interests in the company are held directly by Fanhua Puyi Family Office (Beijing) Co., Ltd.
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**Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Zhou Min, certify that:

1. I have reviewed this annual report on Form 20-F of Maase Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 29, 2025

By: /s/ Zhou Min

Name: Zhou Min

Title: Vice-Chairman of the Board, Chief Executive Officer

**Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Yang Yuanfen, certify that:

1. I have reviewed this annual report on Form 20-F of Maase Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 29, 2025

By: /s/ Yang Yuanfen

Name: Yang Yuanfen

Title: Chief Financial Officer

**Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maase Inc. (the "Company") on Form 20-F for the fiscal year ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Zhou Min, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

By: /s/ Zhou Min
Name: Zhou Min
Title: Vice-Chairman of the Board, Chief Executive Officer

**Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maase Inc. (the "Company") on Form 20-F for the year ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yang Yuanfen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

By: /s/ Yang Yuanfen
Name: Yang Yuanfen
Title: Chief Financial Officer

October 29, 2025

Our Ref: MRC/BLUI/P3431-H19472

The Board of Directors
Maase Inc.

12F, Block B, Longhu Xicheng Tianjie
No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu
Sichuan Province, People's Republic of China

Dear Sir or Madam

Maase Inc.**FORM 20-F**

We consent to the reference to our firm under the heading "Item 10.E. Additional Information – Taxation" in the Annual Report on Form 20-F of Maase Inc. for the year ended 30 June 2024 (the "**Annual Report**"), which will be filed with the U.S. Securities and Exchange Commission (the "**Commission**") on October 29, 2025 under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

We also consent to the filing with the Commission of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under the Exchange Act, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ **WALKERS (HONG KONG)****WALKERS (HONG KONG)**

Walkers (Hong Kong)
滙嘉律師事務所 (香港)

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*England and Wales; **BVI; ***Cayman Islands; ****New South Wales (Australia); *****Bermuda



10&11&29F, Chow Tai Fook Finance Centre, No.6 Zhujiang East Road, Tianhe
District, Guangzhou, Guangdong, China

Date: October 29, 2025

To: Maase Inc.

12F, Block B, Longhu Xicheng Tianjie
No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu
Sichuan Province, People's Republic of China

Dear Sirs/Madams,

We hereby consent to the reference to our firm under the headings "Item 3.Key Information-D. Risk Factors- Risks Related to Our Business and Industry", "Item 3.Key Information-D. Risk Factors-Risks Related to Our Corporate Structure", "Item 3.Key Information -D. Risk Factors -Risks Related to Doing Business in China", "Item 4.Information on our Group-B. Business Overview-Regulation -PRC Regulations Relating to Mergers and Acquisitions", "Item 4.Information on our Group-C. Organizational Structure -Historical Contractual Arrangements" and "Item 10.Additional Information -E. Taxation" and elsewhere in Maase Inc.'s Annual Report on Form 20-F for the year ended June 30, 2025 (the "**Annual Report**"), which will be filed with the Securities and Exchange Commission (the "SEC") in October 2025. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ ETR Law Firm

ETR Law Firm

Date: October 29, 2025

To: Maase Inc.

12F, Block B, Longhu Xicheng Tianjie
No. 399 Huazhaobi Xishun Street, Jinniu District, Chengdu
Sichuan Province, People's Republic of China

Dear Sirs,

We hereby consent to the reference to our firm under the headings, "Risk Factors", "Regulation" and "Organizational Structure" related to AIFU Inc. in Maase Inc.'s Annual Report on Form 20-F for the year ended June 30, 2025, which will be filed with the Securities and Exchange Commission in October 2025.

Yours faithfully,

/s/ Hai Run Law Firm

Hai Run Law Firm



Independent Registered Public Accounting Firm's Consent

We consent to the incorporation by reference in the Registration Statement on Form S-8 (FILE NO. 333-277814) of our report dated September 25, 2023, except for the effects of the revision discussed in Note 2(ad) as to which the date is November 15, 2024, relating to the financial statements of Maase Inc. (formerly Highest Performances Holdings Inc. and Puyi Inc.) appearing in this Annual Report on Form 20-F for the year ended June 30, 2025.

/s/ Marcum Asia CPAs LLP

Marcum Asia CPAs LLP

New York, New York
October 29, 2025

NEW YORK OFFICE • 7 Penn Plaza • Suite 830 • New York, New York • 10001
Phone 646.442.4845 • Fax 646.349.5200 • www.marcumasia.com

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-277814 on Form S-8 of our report dated November 15, 2024, relating to the financial statements of Maase Inc. (formerly known as “Highest Performances Holdings Inc.”) appearing in this Annual Report on Form 20-F for the year ended June 30, 2025.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP
Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shenzhen, the People’s Republic of China

October 29, 2025

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the use of our report dated October 29,2025 with respect to the consolidated financial statements of Maase Inc. (formerly known as Highest Performances Holdings Inc. or Puyi Inc.) as of and for the years ended June 30,2025 in this Registration Statement on Form 20-F and the related prospectus of Maase Inc., filed with the Securities and Exchange Commission. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Enrome LLP

Singapore, Singapore
October 29, 2025

Enrome LLP

143 Cecil Street #19-03/04
GB Building Singapore 069542

admin@enrome-group.com
www.enrome-group.com