



FY2022 Half Year Results August 2022

China's **leading** Loyalty Technology Service Provider in financial services

Financial Overview 1H 2022 vs 1H 2021 Results Highlights

The Company provides the 1H 2022 financial results after the auditors' review:

- Despite the complete lockdown of Shanghai from March to June 2022, and highly stringent quarantine policies in Mainland China, the Company's insurance brokerage business delivered a 31% YOY growth, thanks to the great efforts of the whole team. As a result, the Company's revenue only slightly decreased by 2% in 1H 2022.
- The Company incurred a RMB 32.10 million net loss for the 1H 2022. This was mainly due to the increase in sales channels development expenditures to support the rapid expansion of insurance brokerage services during a volatile time.

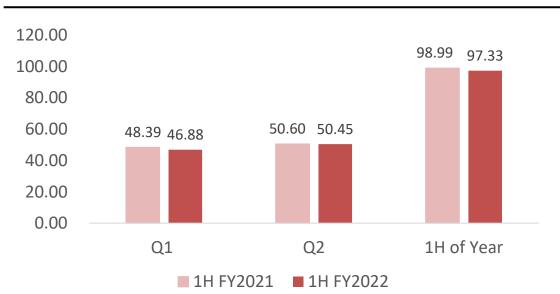
Increase/Decrease	1H 2022		1H 2021	
	RMB: mm	AUD: mm	RMB: mm	AUD: mm
-2%	97.33	20.87	98.99	21.23
-2%	96.83	20.76	98.36	21.09
-15.37 mm (AUD:-3 29mm)	(32 10)	(6.88)	(16 73)	(3.59)
	-2% -2%	Increase/Decrease <u>RMB: mm</u> -2% 97.33 -2% 96.83 -15.37 mm	Increase/Decrease RMB: mm AUD: mm -2% 97.33 20.87 -2% 96.83 20.76 -15.37 mm -15.37 mm -15.37 mm	Increase/Decrease RMB: mm AUD: mm RMB: mm -2% 97.33 20.87 98.99 -2% 96.83 20.76 98.36 -15.37 mm -15.37 mm -15.37 mm -15.37 mm

Note 1: RMB translated into AUD using the average rate of AUD/RMB 4.6639 for 1H FY2022 to eliminate the exchange rate impact.

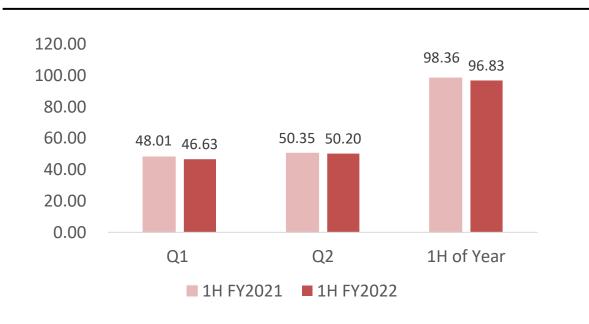


Financial Overview 1H 2022 vs 1H 2021 Revenue & Gross Profit Loyalty

Revenue (RMB: mm)



Gross Profit (RMB: mm)

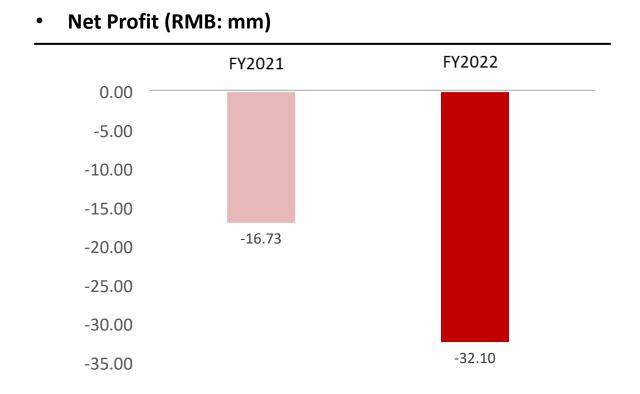


Commentary ٠

Revenue generated in the first half of FY2022 slightly decreased by 2% from the previous corresponding period, was a result of:

- > The complete lockdown of Shanghai from late March to early June 2022, and highly stringent quarantine policies in Mainland China, which restrained the growth of revenue: Comprehensive home and community quarantines have been enforced across Shanghai where a significant proportion of the Company's operations take place. The conditions have stifled operations for both on and offline business while household priorities have focused on securing the supply of basic needs reducing demand for other goods including insurance products.
- Insurance related revenues realized 31% YOY growth and accounted for 95% of group revenue in H1 2022. The four year consistently strong growth has been due to the Company's continuously making efforts to grow its capabilities and partnership in the insurance sector, the growth of online product creation and distribution, positive secular trends with increasing consumer awareness of the need for risk protection, and low insurance penetration rates.
- > Loyalty and Marketing remained suppressed on account of previously flagged issues including Covid-19 lockdown impacts, financial risk control regulations, and general economic conditions. In H1 2022, China's GDP only had 2.5% YOY growth with Shanghai's GDP experiencing 5.7% YOY decline, and total China retail sales of consumer goods falling by 0.7%.

Financial Overview 1H 2022 vs 1H 2021 Net Profit



The Company reported a net loss of RMB 32.10 million in the first half of FY2022, which was mainly due to:

> The Company's increased expenditures in marketing and channel development in the insurance brokerage business, so as to capture market opportunities, enhance cooperation with business partners on the value chain, and protect against fluctuations arising from the resurgence of COVID-19.





Commentary ٠