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Application Proof of

Tianju Dihe (Suzhou) Technology Co., Ltd. 天聚地合(蘇州)科技股份有限公司

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

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Tianju Dihe (Suzhou) Technology Co., Ltd. 天聚地合(蘇州)科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares
the [REDACTED]
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
[REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1.0%, SFC transaction
levy of 0.0027%, AFRC transaction
levy of 0.00015% and Stock Exchange
trading fee of 0.00565% (payable in
full on application in Hong Kong
dollars and subject to refund)
Nominal value : RMB1.0 per H Share
[REDACTED] : [REDACTED]

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are an integrated API-enabled data exchange service provider in China. We provide standard API services and customized data management solutions to internet companies, telecommunications operators, technology companies and other business and government organizations as well as app developers and technology professionals. The integrated API-enabled data exchange service market and the industry-specific API-enabled data exchange service market together comprise the overall API-enabled data exchange service market, which itself is part of the API-enabled service market.

Application Programming Interface, commonly known as API, is a set of protocols that allows disconnected applications to communicate with each other. A common example of how APIs work is when a customer requests weather information on a mobile app, the app sends out a request via an API to a weather data supply source, which then processes the request, retrieves the requested information, and sends a response via the API back to the mobile app for the customer. An alternative to achieving such connectivity would have required the mobile app developer and the data supply source to work together to build a new system that connects different applications. However, such an alternative is oftentimes not viable when the connectivity requires the handling of millions of data requests from various data sources on a day-to-day basis. APIs are an accessible way to enable applications to exchange data and functionality within and across organizations. APIs can eliminate data silos and handle the exchange of large volumes of data.

We are dedicated to eliminating data silos and offering online API services that span across multiple service types and scenarios. Our API marketplace, a combination of APIs we offer, matches requests and responses and facilitates exchange of data. These services have been widely applied in various vertical industries, such as internet services, software information services, and telecommunications. Since the launch of API marketplace in June 2011, we have developed over 770 proprietary APIs. In 2023, API marketplace handled over 120 billion API requests. Our customers include well-known enterprises such as Tencent, Alibaba, Baidu, NetEase, Meituan, China Mobile, China Unicom, China Telecom, and many other internet companies, app developers and individuals. As of December 31, 2023, API marketplace made available over 380 proprietary APIs to our customers. In 2021, 2022 and 2023, the retention rate of key customers of our API marketplace was 78.9%, 85.7% and 59.1%, respectively. The net dollar expansion rate of revenue from our API marketplace key customers in 2021, 2022 and 2023 was 136.4%, 139.1% and 217.3%, respectively.

SUMMARY

Leveraging our integrated API-enabled data exchange capabilities, in 2020, we started to provide data management solutions, a type of customized data technology solution that comprises one or more of our products and services, including *APIMaster*, which provides lifecycle management services for APIs; *DataArts*, which is an integrated data stewardship platform that collects, cleanses and processes data to empower data; *QuickBot*, which is an RPA software designed to execute basic and repetitive tasks with a certain pattern; *SmartShield*, which is a privacy computation tool that addresses the issue of privacy protection in data exchange; and *AnchorChain*, which is a consortium blockchain tool that ensures the security of data circulation distributed ledgers.

We offer solutions that assist organizations in their digital transformation. Our customized, digitalized, and self-deployed data management solutions cater to a diverse range of customers, including those from government agencies, public utilities, manufacturing, finance, telecommunications, and various other industries. Our technologies eliminate data silos and cleanse data sets with heterogeneity, forming data that adheres to unified standards.

Benefiting from our advanced technologies and service capabilities, we have gained recognition from our customers, resulting in rapid growth in revenue. In 2021, 2022 and 2023, our total revenue was RMB260.0 million, RMB328.9 million and RMB441.1 million, respectively. We recorded a CAGR in revenue of 30.2% from 2021 to 2023. From 2021 to 2023, the CAGR of the revenue attributable to our data management solutions was 23.1%.

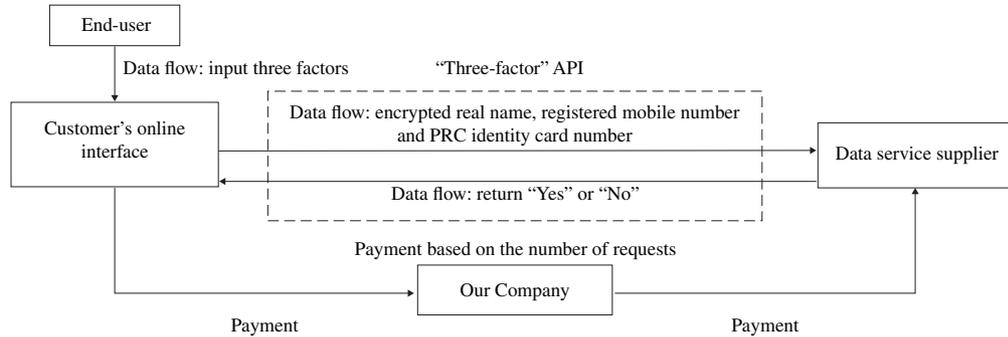
API Marketplace

Our API marketplace provides standard API services. Customers can integrate their software applications quickly with standardized APIs provided by API marketplace, enabling them to rapidly implement the functionality required for their scenarios. Our customers primarily consist of internet companies, software and app developers, and telecommunications operators, who subscribe to different service types to match their application scenarios. The APIs we offer on API marketplace cover a wide array of services, such as authentication, SMS notice, weather, news, IP address inspections and top-ups, which we broadly categorize into the following three service types:

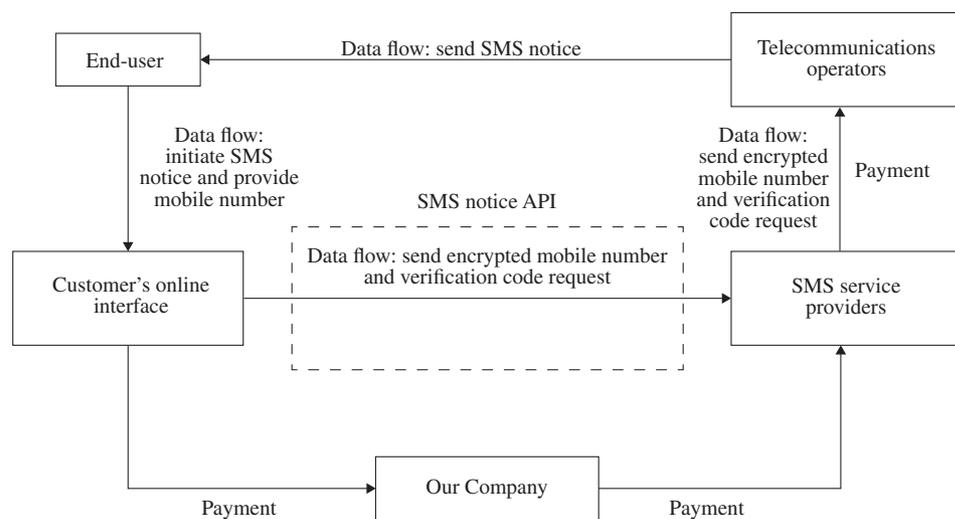
- *Query*: Customers utilize our APIs to request the retrieval of data results, such as identity authentication, mobile online status, online duration, information on companies, and certain publicly available information such as weather conditions. We provided approximately 300 paid APIs for query services as of December 31, 2023. One of our most popular query APIs is known as the “three-factor” API. The “three factors” refer to a person’s name, registered mobile number and PRC identity card number. Internet platforms in China typically require new customers to provide these three factors to verify their identity and register a new account. Without divulging any personal data, our customers will receive a “Yes” or “No” result confirming whether the three factors match the information previously registered by the same person. End-users provide their three factors on our customer’s online interface, such as a mobile app, website or WeChat mini program. The online

SUMMARY

interface provides encrypted data to data service suppliers through our APIs. Data service suppliers will return a “Yes” if the data provided match their records. The chart below provides an illustration of how three-factor API works:

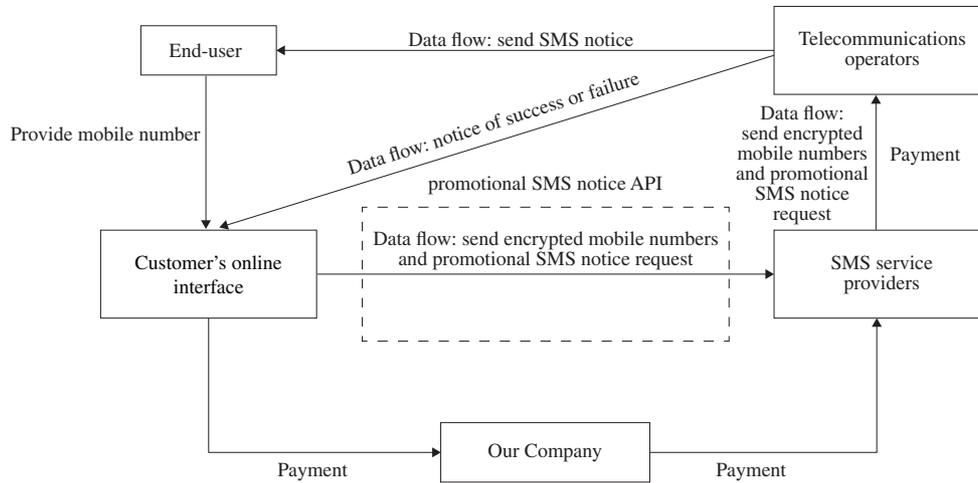


- SMS notice:* Our customers provide services to enable end-users to subscribe for SMS alerts, status updates and promotions. Our APIs facilitate SMS for account registration, login, security notice and password reset. We provided approximately five paid APIs for SMS notice services as of December 31, 2023. In the case of SMS notice APIs, an end-user initiates an SMS notice request and provides his or her mobile number to the customer’s online interface. The customer sends an SMS notice request to a third-party SMS service provider, who further delivers it to a telecommunications operator. The telecommunications operator sends the SMS to end-users. For example, when an end-user logs in to an app, the end-user may choose to log in by mobile authentication. In that case, the app will send a verification code request, with the end-user’s mobile number encrypted, to a third-party SMS service provider through our APIs. The third-party SMS service provider will work with a telecommunications operator, who will send an SMS login code to the end-user. The chart below provides an illustration of how SMS verification API works:



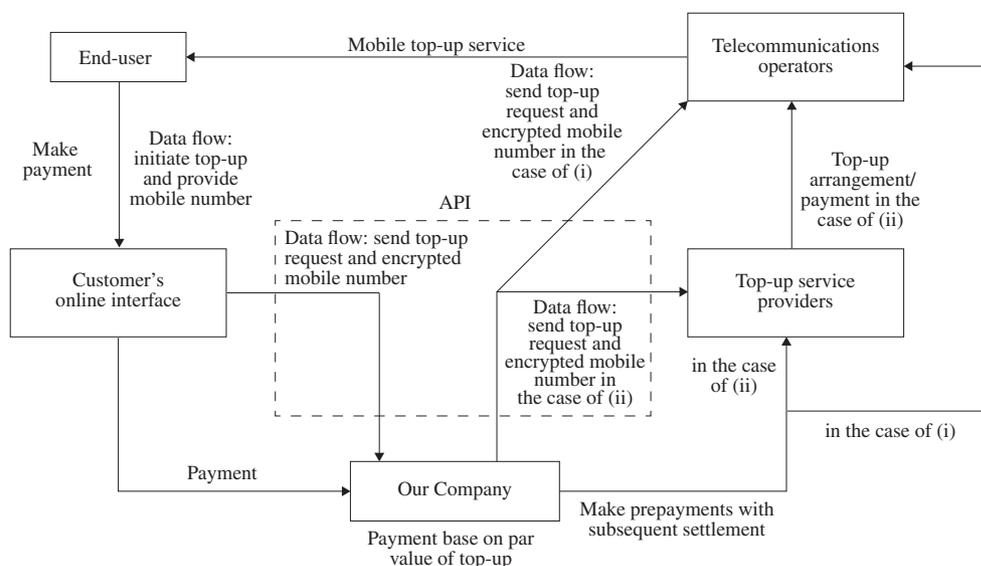
SUMMARY

Another example of SMS notice API is promotional SMS notice. A customer can initiate a request to send a promotional SMS notice to third-party SMS service providers or telecommunications operators. We will request the customer to provide a template for the SMS notice. Third-party SMS service providers will work with the telecommunications operators, who will send a promotional SMS notice to the designated end-users and a confirmation (as to whether or not the SMS notice was successfully sent) to the customer. The chart below provides an illustration of how promotional SMS notice API works:



SUMMARY

- Top-up*: Almost all of our top-up services in 2023 were mobile top-ups. An end-user initiates a top-up on a customer’s online interface by clicking on a “top-up” button, inputting its mobile number and top-up amount. The customer’s online interface sends a top-up request to us through APIs. After receiving the request, we will either (i) send a request to the telecommunications operators directly, upon which we make payment to telecommunications operators; or (ii) send top-up requests to top-up service providers directly and make payments to them. We generally are not involved in the interaction between telecommunications operators and service providers. Revenue derived from mobile top-up service contributed to approximately 80%, 99%, and 99% of the total top-up service revenue for the years ended December 31, 2021, 2022 and 2023, respectively. We have been strategically scaling down our top-up service since 2021. The chart below provides an illustration of how top-up API works:



In the case of query and SMS notice, we charge customers based on the number of API requests they make. For certain large customers, we enter into agreements individually and provide API services and settle their invoices on a monthly basis. For top-up, we earn revenue based on the difference between the unit price of top-up face value offered to our customers and our cost of purchase of the same face value from telecommunications operators or service providers. Our revenue from API marketplace was settled by two methods, prepayment and post-payment. Revenue settled by prepayment refers to revenue derived from sales where customers pay us before services are rendered (that is, sales to pre-paid customers). Revenue settled by post-payment refers to revenue derived from sales where customers pay us after services are rendered (that is, sales to post-paid customers). In 2021, 2022 and 2023, revenue from post-payment customers of API marketplace represented 83.7%, 86.4% and 94.4% of the total revenue of API marketplace, respectively. See “Financial Information – Principal Components of Consolidated Statements of Profit or Loss – Revenue – Revenue by Settlement Method”.

SUMMARY

Data Management Solutions

Our data management solutions primarily comprise three service types, including external data management, data stewardship, and data circulation. With our solutions, we enable organizations to efficiently collect, process, govern, share, and utilize data while preserving privacy and security, achieving digital transformation. Our data management solutions offer the following key benefits:

- ***Promote efficiency through external data management:*** We empower our customers to leverage market data and services, enabling them to focus on business innovation while benefiting from a faster and more convenient access to external data in a safe and compliant manner. With the help of our data management solutions, corporate organizations can introduce, access and manage external data sources for multiple departments. By using them with corporate internal data, corporate organizations can make informed decision and manage daily operation effectively. Governments may use a centralized platform to integrate data from different government departments and manage them in one go. This approach is more efficient as compared to having each department introduce, manage and use data source on their own accord. See “Business – Our Services and Solutions – API Marketplace – Case Studies” for the specific examples of these business innovations.
- ***Empower data through optimized data stewardship:*** We assist our customers in achieving comprehensive integration and governance of their internal database, allowing them to build standardized data assets within their organizations. Data with unified standard is ready for output and utilization through APIs. See “Business – Our Services and Solutions – Data Management Solutions” for illustrations of data stewardship.
- ***Facilitate full release of data value:*** We help our customers establish exchange of data systems that enable seamless data sharing among internal departments or foster data circulation with upstream and downstream business partners, unleashing the value of data. Data management solutions make data available for sharing and utilizing, which we refer to as “empowerment”. For example, a corporate organization may wish to share the supply chain data and relevant analytics with its suppliers, so that suppliers could optimize their warehouse management and manufacturing process.

Our data management solutions primarily follow a project-based pricing model, where customers are generally billed for the products and platform development according to payment terms agreed with customers. Platform construction fees are typically charged for the implementation of the data management platform. Additionally, in certain cases, we may also charge fees for supporting operational services and consulting services based on specific customer requirements. Revenue derived from data management solutions is recognized when the data management solutions and related services are delivered to and accepted by the customers.

SUMMARY

OUR STRENGTHS

We believe the following strengths contribute to our success:

- One of the first-movers in the digital economy’s key industry;
- An innovator in the industry with strong research and development capabilities and accumulated advantages in core technologies;
- Well-established and diversified customer base, a stable and diverse array of data service suppliers, and sustainable monetization capabilities;
- A scalable business model; and
- An entrepreneurial and experienced management team.

OUR STRATEGIES

To achieve our mission and further strengthen our market position, we intend to pursue the following strategies:

- Seize the significant opportunities arising from government and public data authorized operations to expand;
- Further explore service capabilities for diverse industries, continuously expanding regional coverage, service types and scenarios;
- Expand customer base and deepen industry ecosystem stakeholder relationships;
- Enhance R&D capabilities; and
- Strategic acquisitions and joint ventures to pursue leadership.

OUR INDUSTRY AND MARKET SHARES

We operate in the integrated API-enabled data exchange service market, a sub-segment of the API-enabled data exchange service market in China, and the data management solution market in China. According to the F&S Report,

- the size of API-enabled data exchange service market in China reached RMB6.9 billion in 2022, comprising RMB2.37 billion in the integrated API-enabled data exchange service segment and RMB4.57 billion in the industry-specific API-enabled data exchange service segment. The size of the API-enabled service market in China reached RMB37.9 billion in 2022;

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- in 2022, we had a market share of 6.1% and 2.1% in the integrated API-enabled data exchange service market and overall API-enabled data exchange service market, respectively, in China. To differentiate from our competitors, we are expected to further leverage our leading position in the market to expand our business scale through cooperating with different data sources and participating in the establishment and operation of state-owned data exchanges; and
- the size of data management solution market in China totaled RMB50.7 billion in 2022 and we had a market share of 0.2%.

OUR CUSTOMERS

Our customers include internet companies, telecommunications operators, technology companies and other business and government organizations seeking digital transformation as well as individual app developers and technology professionals. For each of the years ended December 31, 2021, 2022 and 2023, revenue from our five largest customers accounted for 41.1%, 43.7% and 62.3% of our total revenue, respectively, and revenue from our largest customer accounted for 11.7%, 12.4% and 20.1% of our total revenue, respectively. For further details, see “Business – Our Customers”.

Customer H (Supplier A), Customer B (Supplier F) and Customer K (Supplier J) are telecommunications operators in China, which supplied data services to us in our API marketplace. In the meantime, these suppliers or their affiliates also purchased query, SMS notice or top-up services, as well as data management solutions, from us. Customer L (Supplier D)’s business covers four industry groups, namely, cloud data center, cloud service and big data, smart city and smart enterprise. It supplied us with software development services in connection with data management solutions and purchased three data management solutions from us in 2023.

Revenue derived from these large customers were RMB 51.1 million, RMB42.2 million and RMB65.4 million for each of the years ended December 31, 2021, 2022 and 2023, respectively, representing 19.6%, 12.8% and 14.8% of the total revenue, respectively. Our cost of sales attributable to them was RMB35.8 million, RMB26.3 million and RMB47.2 million for each of the years ended December 31, 2021, 2022 and 2023, respectively, representing 21.1%, 11.9% and 14.9% of the total cost of sales, respectively. For the respective years, the gross profit margin of the four customers was 29.9%, 37.6% and 27.8%, respectively, as compared to 35.7%, 32.0% and 28.3% of other customers, respectively.

OUR SUPPLIERS

Our procurement includes purchases of data services, software, hardware and technology services. For each of the years ended December 31, 2021, 2022 and 2023, our purchases amounted to RMB160.5 million, RMB208.0 million and RMB298.6 million, respectively, representing 94.4%, 94.0% and 94.4% of our total cost of sales, respectively. For further details, see “Business – Our Suppliers”.

SUMMARY

For each of the years ended December 31, 2021, 2022 and 2023, procurement from our five largest suppliers accounted for 56.2%, 69.9% and 83.2% of our total purchases, respectively, and purchases from our largest supplier accounted for 36.3%, 42.5% and 46.3% of our total purchases, respectively.

KEY OPERATING METRICS

The table below sets forth selected key operating metrics of our API marketplace business:

	Year ended December 31,		
	2021	2022	2023
Retention rate of our key customers of our API marketplace ⁽¹⁾⁽²⁾	78.9%	85.7%	59.1%
Net dollar expansion rate of revenue from our API marketplace key customers ⁽³⁾	136.4%	139.1%	217.3%
Number of key customers of API marketplace	21	22	17
Average income from our key customers of our API marketplace (in millions of RMB).	7.0	8.1	18.3
Average revenue per paying customer ⁽⁴⁾ (in thousands of RMB).	8.1	13.8	28.8
Number of active registered customers ⁽⁵⁾ (in thousands).	77.9	65.8	61.7
Number of active registered paying customers (in thousands) ⁽⁶⁾	14.9	12.1	10.7
Retention rate of paying customers of our API marketplace ⁽⁷⁾	38.0%	29.6%	36.6%
Net dollar expansion rate of revenue from paying customers of our API marketplace ⁽⁸⁾	83.8%	119.8%	123.4%
Conversion rate of non-paying customers into paying customers ⁽⁹⁾	0.37%	0.52%	0.45%
Number of API requests for query (in millions)	910.8	920.5	1,568.2
Average price per request of API request for query (in RMB).	0.137	0.158	0.173
Number of API requests for SMS notice (in millions)	2,037.9	2,130.7	2,097.5
Average price per request of API request for SMS notice (in RMB)	0.028	0.033	0.031
Aggregate top-up face value (in millions of RMB)	2,322.6	774.7	494.3
Revenue per RMB100 top-up ⁽¹⁰⁾ (in RMB)	0.53	0.98	1.25

- (1) Key customers refer to customers who contributed revenue of more than RMB1 million in a respective year.
- (2) Calculated as the number of key customers of API marketplace in the prior year that remain as our paying customers in the current year, divided by the number of all key customers of API marketplace in such prior year.
- (3) Calculated as revenue derived from our key customers of API marketplace in any given year divided by the revenue derived from the same key customers in the previous year, provided that the key customers must be a paid customer in the previous year. Otherwise the revenue attributable to the key customer will not be accounted for in the given year.
- (4) Calculated as revenue derived from our API marketplace for the respective year divided by the number of paying customers of API marketplace during the respective year.
- (5) Referred to the number of customers who used APIs (whether paid or for free) offered through API marketplace in the respective year.

SUMMARY

- (6) Refers to the number of customers who used our APIs (whether paid or for free) offered through API marketplace in the respective year and historically made payment to us.
- (7) Calculated as the number of paying customers of API marketplace in the prior year who contributed to our revenue in the current year, divided by the number of all paying customers of API marketplace in such prior year.
- (8) Calculated as revenue derived from our paying customers of API marketplace in any given year divided by the revenue derived from the same paying customers in the previous year, provided that the paying customers must be a paid customer in the previous year. Otherwise, the revenue attributable to the paying customer will not be accounted for in the given year.
- (9) Calculated as for a given year, the number of paying customers of API marketplace who made their first payments to us in the given year, provided that such first payments were made at least 60 days after the registration of the respective customer, divided by the number of new non-paying customers, who registered or used any free API marketplace services in the respective year.
- (10) We recognized the difference between the purchase for the top-up face value paid to data service suppliers and the amount we received from our customer as revenue during the Track Record Period. We are unable to provide net profit of each RMB100 top-up primarily because certain expenses cannot be allocated to subsegments of API marketplace.

We typically charge our customers based on their number of API requests for query and SMS notice services. Our average price per request for query service increased from RMB0.137 in 2021 to RMB0.158 in 2022, and further increased to RMB0.173 in 2023, primarily due to increased purchase costs of identity authentication-related API service supply, which led to a higher price. This trend was also attributable to the increase in the usage of mobile number-related three-factor authentication, which had a higher price per request. Our average price per request for SMS notice service decreased from RMB0.033 in 2022 to RMB0.031 in 2023, primarily due to a decrease in the usage of promotional SMS notice service, which had a higher price per request as compared to the average price per request in 2022 and 2023.

The net dollar expansion rate of revenue from our API marketplace key customers increased significantly from 139.1% in 2022 to 217.3% in 2023, primarily due to a significant increase in the revenue contributed by three key customers as a result of their increased purchases of our query services, mainly attributable to their increased trust in the quality and reliability of our services based on past collaborations as well as our competitive pricing.

Revenue per RMB100 top-up increased from RMB0.53 in 2021 to RMB0.98 in 2022 primarily because we ceased to offer gas card top-up in 2022, which had a much lower revenue per RMB100 top-up. In addition, certain mobile top-up service providers lowered their price as part of their promotional efforts. Revenue per RMB100 top-up increased to RMB1.25 in 2023 primarily because we were more selective in working with mobile top-up service suppliers to lower our purchase costs and we increased our unit price for certain popular top-up face values.

The retention rate of our key customers of API marketplace decreased from 85.7% in 2022 to 59.1% in 2023, primarily because certain key customers who used SMS notice and query APIs ceased to use our services in 2023.

SUMMARY

The number of key customers of API marketplace declined from 22 in 2022 to 17 in 2023, primarily because nine key customers ceased to use our API marketplace service, partially offset by five new key customers. The nine key customers ceased to use our API marketplace service because (i) we terminated our business with them due to their prolonged settlement on amounts payable to us. We have made provision for trade receivables of API marketplace services to these customers; (ii) customer’s adjustments to their business operations; and (iii) customer’s refusal to settle amounts overdue, for which we filed a claim;

The average income from our key customers of our API marketplace increased substantially from RMB8.1 million in 2022 to RMB18.3 million in 2023, primarily due to: (i) an increase in the total income from our key customers, mainly attributable to (a) a significant increase in the number of query service requests purchased by three key customers, as discussed above; and (b) an increase in the proportion of revenue contributed by query services that commanded relatively higher gross profit margins, mainly due to the increased purchases from the aforementioned three key customers; and (ii) a decrease in our number of key customers as we ended our collaboration with nine key customers that, in general, contributed relatively lower revenue, both as a part of our ordinary course of business and as a result of our focus on cultivating deeper relationships with key customers that contributed higher revenue.

Our average revenue per paying customer increased from approximately RMB8,100 in 2021 to approximately RMB13,800 in 2022, and further increased to approximately RMB28,800 in 2023, primarily due to: (i) an overall decrease in our number of paying customers, mainly attributable to a decrease in our number of low-spending paying customers; and (ii) an increase in our revenue from paying customers, mainly attributable to our strategic focus on attracting and engaging large customers that contributed much higher revenue on average than our low-spending paying customers.

The number of active registered customers decreased from approximately 77,900 in 2021 to approximately 65,800 in 2022, which further decreased to approximately 61,700, primarily because we ceased to offer certain APIs. The number of active registered paying customers decreased from approximately 14,900 in 2021 to 12,100 in 2022, which further decreased to 10,700 in 2023, which was in line with the decrease in the active registered customers.

Our retention rate of paying customers of our API marketplace decreased from 38.0% in 2021 to 29.6% in 2022, primarily because we ceased to offer paid APIs, such as car ticket inquiry, car information check and driving license checks. The retention rate of paying customers of our API marketplace increased to 36.6% in 2023, primarily due to an increase in usage of multiple paid APIs by our paying customers in 2023, such as invalid mobile number checks, identity related authentications, telecommunication operators history related checks and IP address checks.

The number of API query requests increased from 910.8 million in 2021 to 920.5 million in 2022, primarily because one large customer increased its usage. It further increased to 1,568.2 million in 2023, primarily due to the introduction of new key customers and an increase in usage by existing customers, partly offset by a decrease in usage by certain existing customers.

SUMMARY

As customers use our API marketplace services, our technology improves as we adapt to customer needs, and our improved services in turn attract more potential customers and enhance customer loyalty, resulting in higher retention rates and revenue contribution from our key customers.

The table below sets forth selected key operating metrics of our data management solutions:

	Year ended December 31,		
	2021	2022	2023
Number of projects delivered to and accepted by the customers	20	22	62
Number of projects delivered to and accepted by government customers . .	2	4	20
Number of projects delivered to and accepted by SOE customers	5	9	29
Number of projects delivered to and accepted by other customers	13	9	13
Number of projects delivered to and accepted in loss	–	–	–
Total revenue (<i>in millions of RMB</i>)	65.3	105.4	99.0
Number of customers	18	21	28

* For the avoidance of doubt, the number of customers was calculated by consolidating contracting parties who controlled each other or were under common control based on the information provided by the contracting parties.

We did not have any data management solutions projects that incurred losses during the Track Record Period and up to the Latest Practicable Date, primarily because we evaluate the cost for each project before we provide a quote or make a bidding proposal, as required under our project management operation manual. In addition, a substantial portion of the cost for each project comes from the labor costs of our programmers, who are paid at a fixed salary on a monthly basis and therefore we are unlikely to incur substantial unexpected costs. Our project contracts also include clauses for payment milestones or payment due dates, which reduces our credit risk for each project.

Our number of projects delivered to and accepted by the customers remained steady in 2021 and 2022, and increased significantly from 22 in 2022 to 62 in 2023. The total revenue derived from data management solutions decreased from RMB105.4 million in 2022 to RMB99.0 million in 2023, primarily because in 2023 we provided a large amount of a new solution, “data police”, which required little customization and each project contributed to a small amount of revenue as compared to revenue from more customized solutions.

During the Track Record Period, we have continued to attract new high-quality customers including government organizations, state-owned enterprises, and financial institutions by enriching our solution offerings and continuously improving our brand reputation.

SUMMARY

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in the “Risk Factors” section. You should read the “Risk Factors” section in its entirety before you decide to invest in our Company. Some of the major risks that we face include, among others:

- Fluctuations in demand for our services and solutions may adversely affect our business and results of operations. Any loss of or decline in demand for our products and services could materially and adversely affect our business, results of operations and financial condition;
- Unauthorized access to our customers’, suppliers’, or our own data could harm our reputation and have a negative impact on our business and financial performance;
- Our ability to attract and retain qualified personnel could materially affect our business and the results of operations. Rising labor costs in China could make it more costly to attract and retain qualified personnel and adversely affect our results of operations;
- If we cannot continue to innovate or effectively respond to the rapidly evolving technology, market demands, industry dynamics and other risks and uncertainties, our business, results of operations and prospects would be materially and adversely affected;
- Our services and solutions depend on the performance of internet infrastructure, third-party service providers and our technologies. Unexpected system failures, interruptions, and inadequacies may harm our business and results of operations;
- We have experienced, and in the future may continue to experience, net operating cash outflow, an increase in trade receivables turnover days and a substantial amount of unbilled trade receivables, all of which could expose us to liquidity risks;
- Failure to maintain our advantages in an increasingly competitive market may adversely affect our business and growth prospects;
- Our business is subject to seasonality; and
- We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

SUMMARY

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zuo held an aggregate of approximately 53.33% interest in our share capital, including approximately (i) 43.59% beneficial interest; (ii) 0.15% interest of spouse; and (iii) 9.59% interest in Yiju Liuhe and Liuju Liuhe, each being a limited partnership established in China as our employee shareholding platforms whereby Mr. Zuo is the sole general partner. Mr. Zuo’s spouse, Ms. Hua, who holds 0.15% beneficial interest in our share capital, is deemed to be interested in the same number of Shares that Mr. Zuo is interested in for the purpose of the Securities and Futures Ordinance. Immediately following the completion of the [REDACTED], Mr. Zuo, Yiju Liuhe, Liuju Liuhe and Ms. Hua will hold an aggregate of approximately [REDACTED] interest in our share capital, comprising approximately [REDACTED] beneficial interest, [REDACTED] interest of spouse and [REDACTED] interest in controlled corporations. Accordingly, Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe will remain a group of Controlling Shareholders upon completion of the [REDACTED]. For further information, see “Relationship with our Controlling Shareholders”.

CONTINUING CONNECTED TRANSACTIONS

We have entered into a transaction which would constitute a partially-exempt continuing connected transaction under Chapter 14A of the Listing Rules after the [REDACTED]. For the three years ended December 31, 2021, 2022 and 2023, the transaction amounts were approximately RMB5,531,801, RMB4,914,027 and RMB5,055,722, respectively. Our Directors estimate that the proposed annual cap in respect of this transaction will not exceed RMB2,400,000 for the three months ending March 31, 2024. Further particulars about such transaction, together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in “Connected Transactions”.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of the historical financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements as of and for the years ended December 31, 2021, 2022 and 2023, including the accompanying notes, set forth in the Accountants’ Report in Appendix I to this document, as well as the information set forth in “Financial Information”. Our financial information was prepared in accordance with IFRSs.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Revenue	260,011	328,936	441,083
Cost of sales	(170,099)	(221,382)	(316,431)
Gross profit	89,912	107,554	124,652
Other income and other gains, net	16,903	11,019	10,704
Selling and distribution expenses	(15,449)	(14,378)	(12,530)
Research and development costs	(16,875)	(26,345)	(24,250)
Administrative and other expenses	(20,490)	(32,025)	(27,518)
Impairment loss on financial and contract assets, net	(418)	(1,068)	(9,915)
Finance costs	(154)	(1)	(1,014)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Profit before tax	53,429	44,756	37,775
Income tax expense	(7,463)	(3,472)	(2,714)
Profit/(loss) for the year	45,966	41,284	35,061
Profit/(loss) for the year attributable to:			
Owners of the Company	46,011	41,249	34,751
Non-controlling interests	(45)	35	310
	<u>45,966</u>	<u>41,284</u>	<u>35,061</u>

During the Track Record Period, we generated revenue primarily from API marketplace, and, to a lesser extent, data management solutions. The table below sets forth a breakdown of our revenue by service type for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Query	124,467	47.9	145,279	44.2	271,356	61.6
SMS notice	57,883	22.2	70,627	21.5	64,543	14.6
Top-up ⁽¹⁾	12,370	4.8	7,626	2.3	6,170	1.4
Revenue from API marketplace . .	194,720	74.9	223,532	68.0	342,069	77.6
Revenue from data management solutions	<u>65,291</u>	<u>25.1</u>	<u>105,404</u>	<u>32.0</u>	<u>99,014</u>	<u>22.4</u>
Total Revenue	<u>260,011</u>	<u>100.0</u>	<u>328,936</u>	<u>100.0</u>	<u>441,083</u>	<u>100.0</u>

(1) For top-up, we recognize revenue on a net basis pursuant to IFRS 15. See “Financial Information – Significant Accounting Policies and Estimates – Principal versus Agent Consideration in Revenue Recognition”.

SUMMARY

During the Track Record Period, our revenue from API marketplace has been increasing steadily, mainly attributable to revenue growth from both query and SMS notice services, primarily driven by increasing API requests made by a growing customer base. These growth trends were partially offset by a decreasing revenue stream from our top-up service during the Track Record Period due to our strategic scale-down of this service, which we believe has limited growth potential and negatively impacted our cash flow and liquidity. See “Financial Information – Results of Operations”.

Our revenue from data management solutions increased from RMB65.3 million in 2021 to RMB105.4 million in 2022, mainly driven by (i) a growing number of new mandates and existing projects delivered to and accepted by customers as we continued expanding our customer base and enriching solution offerings, (ii) our efforts to increase our revenue per project, and/or (iii) our continued efforts to enhance our brand reputation. Our revenue from data management solutions decreased to RMB99.0 million in 2023, primarily due to a decrease in the average revenue of our projects, mainly because most of our projects delivered and accepted had more standardized components, and such projects generally generated lower revenue.

The table below sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Labor costs	7,805	11,674	16,250
Purchase costs – API marketplace	130,309	148,964	241,696
Purchase costs – data management solutions	30,222	59,046	56,887
Others ⁽¹⁾	1,763	1,698	1,598
Total	<u>170,099</u>	<u>221,382</u>	<u>316,431</u>

(1) Others primarily comprise cloud server, leasing and traveling costs.

During the Track Record Period, our purchase costs for API marketplace constituted the largest component of our cost of sales. Such costs represent our costs of procuring data services from suppliers which typically charge us based on the number of customer API requests made through API marketplace. In addition, we incurred a small amount of costs for the operation of free APIs, primarily labor and server costs. We allocated these costs to our cost of sales for paid APIs, but this practice would not have a material impact on our operations and financial performance as a whole.

SUMMARY

During the Track Record Period, our cost of sales had increased steadily, mainly attributable to our increased purchases of data services for API marketplace and specialized software and hardware for data management solutions, reflecting the continued growth in both of our business lines; and, to a lesser extent, a general increase in our labor costs from 2021 to 2023 as a result of an increase in the headcount and average salary.

The table below sets forth our gross profit by service type during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
API marketplace			
Query	43,604	53,947	84,326
SMS notice	6,708	10,875	7,439
Top-up	10,466	6,661	5,133
Total API marketplace	60,778	71,483	96,898
Data management solutions	29,134	36,071	27,754
Total	89,912	107,554	124,652

The table below sets forth our gross profit margin by service type during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
API marketplace	31.2%	32.0%	28.3%
Query	35.0%	37.1%	31.1%
SMS notice	11.6%	15.4%	11.5%
Top-up	84.6%	87.3%	83.2%
Data management solutions	44.6%	34.2%	28.0%

Our net profit decreased by 10.2% from RMB46.0 million in 2021 to RMB41.3 million in 2022, and further decreased by 15.1% to RMB35.1 million in 2023. Our net profit margin decreased from 17.7% in 2021 to 12.6% in 2022, and further decreased to 7.9% in 2023. The decreases in our net profit and net profit margin were primarily due to a decrease in our gross profit margin and an increase in our total expenses mainly attributable to non-recurring [REDACTED] expenses of RMB[REDACTED] in 2023 in connection to the [REDACTED] and an increase in our net impairment loss on financial and contract assets.

For further details of our financial performance and key financial data, see “Financial Information – Principal Components of Consolidated Statements of Profit or Loss”.

SUMMARY

Summary of Consolidated Statements of Cash Flows

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Cash and cash equivalents at the beginning of the year	403,836	182,287	168,470
Net cash generated from/(used in) operating activities	(33,796)	(36,819)	4,445
Net cash generated from/(used in) investing activities	(166,628)	22,335	(44,780)
Net cash used in financing activities	(20,941)	(22)	(3,884)
Net decrease in cash and cash equivalents	(221,365)	(14,506)	(44,219)
Exchange differences on translating cash flows of foreign operations	(184)	689	166
Cash and cash equivalents at the end of the year	<u>182,287</u>	<u>168,470</u>	<u>124,417</u>

In 2021 and 2022, we had net cash outflows from operating activities of RMB33.8 million and RMB36.8 million, respectively. Major working capital changes which adversely affected our cash flow during these years include: (i) an increase in trade receivables, driven by the continued growth of our business and an increase in our post-paid API marketplace customers; (ii) an increase in prepayments, deposits and other receivables primarily due to our increased prepayments to suppliers to secure a steady supply of data services; and (iii) an increase in inventories in 2021, primarily because we had yet to deliver certain data management solutions to our customers at the end of the year, and the cost of sales related to these projects were accounted for as inventories. Our cash flow and working capital during the Track Record Period were adversely affected by an expansion in our customer and supplier base, which comprise large internet and technology companies and government organizations in China because they typically settle payments after using our API services or after the delivery and acceptance of data management solution projects. For API marketplace, our customers may incur a substantial number of API requests during a period and therefore need more time to reconcile their internal records with our records in order to ascertain that they have been charged for the correct number of API requests. For both API marketplace and data management solutions, before we issue invoices to our customers, we have to wait for the long internal approval process by our customers’ business and/or finance departments, which can take weeks or even months. To strengthen our relationships with suppliers, we settle payables sooner to ensure a steady supply of data services for our API marketplace and specialized software and hardware for our data management solutions. The increase in our receivable turnover days and reduction in our payable turnover days during the Track Record Period led to a longer cash conversion cycle, which further impacted our cash flow and working capital. See also “Risk Factors – Risks Relating to Our Business and Industry – We have experienced, and in the future may continue to experience, net operating cash outflow, an increase in trade receivables turnover days and a substantial amount of unbilled trade receivables, all of which could expose us to liquidity risks”.

SUMMARY

Summary of Consolidated Statements of Financial Position

	As of December, 31		
	2021	2022	2023
	(RMB in thousands)		
Total current assets	419,527	433,512	480,963
Total current liabilities	114,950	107,889	138,106
Net current assets	<u>304,577</u>	<u>325,623</u>	<u>342,857</u>
Total non-current assets	301,680	310,660	291,096
Total non-current liabilities	11,134	9,328	5,536
Total assets	721,207	744,172	772,059
Total liabilities	126,084	117,217	143,642
Net assets	<u>595,123</u>	<u>626,955</u>	<u>628,417</u>
Equity attributable to owners of the Company	595,515	627,312	628,464
Non-controlling interests	(392)	(357)	(47)
Total equity	<u>595,123</u>	<u>626,955</u>	<u>628,417</u>

Our net current assets increased by 6.9% from RMB304.6 million as of December 31, 2021 to RMB325.6 million as of December 31, 2022, and further increased by 5.3% to RMB342.9 million as of December 31, 2023. The increase in our net current assets was primarily due to increases in our trade receivables, time deposits and prepayments, deposits and other receivables.

Our total equity increased by 5.3% from RMB595.1 million as of December 31, 2021 to RMB627.0 million as of December 31, 2022, and remained relatively stable at RMB628.4 million as of December 31, 2023. The increase in our total equity was primarily due to the contribution from net profit, partially offset by decreases in fair value of financial assets and the deemed distribution to a shareholder in 2023.

Our trade receivables comprise billed and unbilled receivables. The unbilled receivables were primarily due to the prolonged process from revenue recognition to payment settlement of our API marketplace and the fact that we issue invoices after the data management solution customers have fulfilled their internal protocols to make payments. For a detailed discussion of the stages in our settlement process, see “Business – Our Customers – General Terms of Contracts with Customers”. We have experienced an increase in the turnover days of trade receivables from 114 days in 2021 to 133 days in 2023. For the reasons of the increase, see Risk Factors – Risks Relating to Our Business and Industry Fluctuations – We have experienced, and in the future may continue to experience, net operating cash outflow, an increase in trade receivables turnover days and a substantial amount of unbilled trade receivables, all of which could expose us to liquidity risks. Unbilled receivables comprise a large portion of our trade receivables, for the detailed analysis of unbilled receivables, see “Financial Information – Current Assets and Liabilities – Trade Receivables”.

SUMMARY

Key Financial Ratios

The table below sets forth our key financial ratios for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(in percentages)		
Revenue growth	45.8%	26.5%	34.1%
Gross profit margin ⁽¹⁾	34.6%	32.7%	28.3%
Net profit margin ⁽²⁾	17.7%	12.6%	7.9%

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Net profit margin equals profit/(loss) divided by revenue for the year and multiplied by 100%.

DIVIDENDS

We paid RMB20.0 million of dividends to our shareholders in 2021. No dividend has been declared and paid in 2022 and 2023.

We do not have a formal dividend policy or a fixed dividend payout ratio. We may distribute dividends in the future by way of cash or by other means that we consider appropriate. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

OUR [REDACTED] INVESTORS

We had multiple rounds of [REDACTED] Investments since our establishment. We have a total of 15 principal [REDACTED] Investors, which include (i) individual investors that have made meaningful investment in our Company and each holding more than 1% of our total issued share capital immediately prior to the [REDACTED]; and (ii) corporate [REDACTED] Investors. Our principal [REDACTED] Investors include, among others, JD Technology, Suzhou Guofa No. 8, Tahoe Growth and Shanghai Keluopu. For details of our [REDACTED] Investments and background of our [REDACTED] Investors, see “History, Development and Corporate Structure – [REDACTED] Investments”. Pursuant to the applicable PRC laws, the [REDACTED] Investors shall not dispose of any of the Shares held by them within 12 months following the [REDACTED].

SUMMARY

OFFERING STATISTICS

All statistics in the table below are based on the assumption that the [REDACTED] has been completed and [REDACTED] new H Shares are issued pursuant to the [REDACTED].

	<u>Based on the [REDACTED] of HK\$[REDACTED]</u>
Market capitalization of our H Shares ⁽¹⁾	HK\$[REDACTED] million
Unaudited pro forma adjusted net tangible assets per Share ^{(2) (3)}	HK\$[REDACTED]

- (1) The calculation of market capitalization is based on a total of [REDACTED] H Shares expected to be in issue immediately upon completion of the [REDACTED].
- (2) The unaudited pro forma adjusted net tangible asset per Share as of December 31, 2023 is calculated after making the adjustments referred to in “Appendix II – Unaudited Pro Forma Financial Information” and on the basis that [REDACTED] Shares were in issue assuming the [REDACTED] had taken place on December 31, 2023 and without taking into account of any Shares that may be allotted and issued or repurchased by our Company under the general mandate for the allotment and issuance of Shares or the general mandate for repurchase of Shares.
- (3) The subsequent events disclosed in the Accountants’ Report in Appendix I to this [REDACTED] would have no impact on the unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Group as of December 31, 2023 per share. For details, see “Appendix II – Unaudited Pro Forma Financial Information”.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately RMB[REDACTED] million (assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED]) accounting for approximately [REDACTED] of our gross proceeds, of which approximately RMB[REDACTED] million is directly attributable to the issue of our [REDACTED] and will be deducted from equity, approximately RMB[REDACTED] million has been expensed in our consolidated statements of profit or loss during the Track Record Period, and approximately RMB[REDACTED] million is expected to be expensed after the Track Record Period. Our estimated [REDACTED] expenses include: (i) [REDACTED]-related expenses, representing [REDACTED] and fees of approximately RMB[REDACTED] million; (ii) sponsor fee of approximately RMB[REDACTED] million; and (iii) non-[REDACTED]-related expenses, comprising professional fees to the legal advisors, Reporting Accountant and other professionals of approximately RMB[REDACTED] million for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses of approximately RMB[REDACTED] million. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

SUMMARY

FUTURE PLANS AND [REDACTED]

After deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED], we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

- approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to comprehensively upgrade the existing suite of APIs in our API marketplace, to seize the significant opportunities arising from the opening and authorized operations of government and public data, which may create opportunities for future growth;
- approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to upgrade our existing products and services of our data management solutions. This aims to develop and expand industry-specific applications, strengthening our technical capabilities and market competitiveness in data management solutions;
- approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to research and develop the technologies for data security and privacy protection, building a comprehensive ecosystem for digital ownership, secure data storage, trusted data transmission, and collaborative production;
- approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED] will be invested or used in the next three to five years to invest in or acquire stakes in, or establish joint ventures with, industry upstream and downstream data service providers to build business ecosystem and increase market share; and
- approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED] will be allocated for working capital and general corporate purposes.

See “Future Plans and [REDACTED]” for details.

DATA SECURITY AND REGULATORY COMPLIANCE

We offer our services and solutions with privacy as a core tenet. PRC data privacy and security laws that are relevant to our business include the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law and other applicable laws. As advised by our PRC Legal Advisors, our business has complied with the above laws in all material respects during the Track Record Period. See “Regulatory Overview – Regulations Related to Internet Security and Privacy Protection – Regulations on Privacy Protection” for laws and regulations that affect our business.

SUMMARY

For our API marketplace, we act as an intermediary technical service provider to provide query and SMS notice services. For top-up service, our customers collect and transmit top-up mobile numbers with encrypted technologies. We transmit data among customers and suppliers based on the entrustment of customers. During the transmission, we ensure personal information is identity masked. With respect to the personal information of end-users provided by customers and the personal information included in query results returned by suppliers, we neither store nor use such information for any other business purpose. We store order information only to the extent necessary for reconciliation and error handling, with strict internal clearance protocols in place. If the order information includes personal information, we make measures of anonymization or encryption. We set forth different retention periods depending on the types of data and the applicable legal requirements. When providing data management solutions, we do not collect, transmit or share personal information because these solutions are hosted by the customer’s IT systems, and we are not involved in their daily operations. We provide education and training sessions on data security for our employees. When an alleged or actual leakage incident occurs, we will implement our internal control protocols. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data leakage or loss of data or information. As of the Latest Practicable Date, we have obtained all consents from our direct suppliers and customers to provide and receive API marketplace service. See “Business – Risk Management and Internal Controls – Data Privacy Risk Management” and “Business – Regulatory Compliance”.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we are not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. Our PRC Legal Advisors advised that during the Track Record Period and up to the Latest Practicable Date, we have obtained the requisite licences, qualifications and permits from the relevant PRC regulatory authorities for our operations.

RECENT DEVELOPMENTS

In January 2024, we handled 140.8 million query service requests compared to 122.7 million query service requests for the same month in 2023, while our average price per request for query service increased significantly from RMB0.10 in January 2023 to RMB0.27 in January 2024. The increases in the number and average price of query service requests were mainly driven by an increase in demand from a large internet company customer for certain three-factor authentication APIs with relatively high prices, as this customer conducted identity authentication of its existing customers in preparation for Chinese New Year-related promotional activities.

SUMMARY

In January 2024, we handled 80.6 million SMS notice service requests compared to 213.5 million SMS notice service requests for the same month in 2023. The decrease in our number of query service requests was primarily due to a decrease in customer demand for finance and marketing-related SMS as a result of regulatory restrictions on the sending of SMS with such contents. Our average price per request for SMS notice service remained relatively stable at RMB0.03 in January 2023 and 2024.

For data management solutions, two projects were delivered and accepted in January 2024 compared to nil for the same month in 2023. The increase in our number of projects delivered and accepted was primarily due to an increase in our number of projects on hand as we gained additional customers while continuing to build our brand reputation.

Our Directors have confirmed that there has been no material adverse change in our financial and trading position or prospects since December 31, 2023, being the date to which our latest audited consolidated financial statements have been prepared, up to the date of this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

“ABC Investment”	Agricultural Bank of China Financial Assets Investment Co., Ltd. (農銀金融資產投資有限公司), a company established in the PRC with limited liability on August 1, 2017 and wholly-owned by Agricultural Bank of China Limited (中國農業銀行股份有限公司), which is one of our [REDACTED] Investors
“Accountants’ Report”	the accountants’ report of our Company prepared by BDO Limited, details of which are set out in Appendix I to this document
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix VI to this document
“Audit Committee”	the audit committee of the Board
“Beijing Sidike”	Beijing Sidike Technology Co., Ltd. (北京斯蒂克科技有限公司), a company established in the PRC with limited liability on January 8, 2015 and a subsidiary of our Company
“Board” or “Board of Directors”	the Board of Directors of our Company
“Board Diversity Policy”	the board diversity policy of our Company
“business day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAAI”	the Chinese Association for Artificial Intelligence (中國人工智能學會)
“CAC”	Cyberspace Administration of China (國家互聯網信息辦公室)

DEFINITIONS

[REDACTED]

“CCCPC” or “CPC Central Committee”	the Central Committee of the Communist Party of China (中國共產黨中央委員會)
“CCRC”	the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心)
“China”, “Mainland China” or the “PRC”	the People’s Republic of China, excluding, for the purpose of this document (unless otherwise indicated), the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region
“China-Singapore Ventures”	China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新蘇州工業園區創業投資有限公司), a company established in the PRC with limited liability on November 28, 2001 and one of our [REDACTED] Investors
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People’s Congress on October 27, 2005 and effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time, which was further amended on December 29, 2023

DEFINITIONS

“Company” or “our Company”	Tianju Dihe (Suzhou) Technology Co., Ltd. (天聚地合(蘇州)科技股份有限公司), previously named Tianju Dihe (Suzhou) Data Co., Ltd. (天聚地合(蘇州)數據股份有限公司), whose predecessor was named Suzhou ThinkLand Technology Co., Ltd. (蘇州新科蘭德科技有限公司), was established in China on February 25, 2010 and converted into a joint stock company with limited liability on September 20, 2017
“Controlling Shareholder(s)”	Mr. Zuo, Ms. Hua, Liuju Liuhe and Yiju Liuhe
“CPC”	the Communist Party of China
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Culture Fund”	China Culture Industrial Investment Fund (Limited Partnership) (中國文化產業投資基金(有限合夥)), a limited partnership established in the PRC on September 15, 2011, which is an investment fund registered under the Asset Management Association of China and our former Shareholder
“Cybersecurity Review Measures”	Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022
“Data Security Law”	Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), which took effect on September 1, 2021
“Datong Qikai”	Zhejiang Datong Qikai Investment Management Co., Ltd. (浙江大通騏楷投資管理有限公司), a company established in the PRC with limited liability on February 20, 2017 and one of our [REDACTED] Investors
	[REDACTED]
“Directors”	the directors of our Company, including all executive, non-executive and independent non-executive Directors

DEFINITIONS

“Donghe Huaming”	Suzhou Donghe Huaming Investment Partnership Enterprise (Limited Partnership) (蘇州東合華明投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 25, 2016 and subsequently revoked on July 28, 2022, which is our former Shareholder
“ECLs”	expected credit losses
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Entrusted personal information processor”	An entity that is entrusted to process personal information. It has the same meaning set forth in the PRC Personal Information Protection Law

[REDACTED]

“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
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[REDACTED]

“F&S”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant and an Independent Third Party
“F&S Report”	an independent market research report prepared by F&S, which was commissioned by our Company for the purpose of this document
“GDP”	gross domestic product

[REDACTED]

DEFINITIONS

“Group,” “our Group,” “we”, “Juhe Data” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“Guide”	Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“H Share(s)”	shares in the share capital of our Company with nominal value of RMB1.0 each, which is/are to be [REDACTED] and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

“IFRSs”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
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DEFINITIONS

“Independent Third Party(ies)” any entity(ies) or person(s) who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

“JD Technology” JD Technology Holding Co., Ltd. (京東科技控股股份有限公司) (formerly known as (i) JD Digits Technology Holding Company Limited (京東數字科技控股股份有限公司), (ii) JD Digits Technology Company Limited (京東數字科技控股有限公司); (iii) Beijing JD Fintech Company Limited (北京京東金融科技控股有限公司); (iv) Beijing JD Shangbo Guangyi Investment Management Co., Ltd. (北京京東尚博廣益投資管理有限公司); and (v) Beijing Shangbo Guangyi Investment Management Co., Ltd. (北京尚博廣益投資管理有限公司)), a limited liability company established in the PRC on September 5, 2012 and one of our substantial Shareholders and [REDACTED] Investors, details of which are set out in “History, Development and Corporate Structure – [REDACTED] Investors”

[REDACTED]

DEFINITIONS

[REDACTED]

“JuheData HK”	JuheData HK Limited, a company incorporated in Hong Kong with limited liability on January 7, 2016 and a wholly-owned subsidiary of our Company
“Juli Wanhe”	Beijing Juli Wanhe Management Consulting Co., Ltd. (北京聚力萬合管理諮詢有限公司), a company established in the PRC with limited liability on April 22, 2015 and a wholly-owned subsidiary of our Company
“Latest Practicable Date”	February 21, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Liuju Liuhe”	Suzhou Liuju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州六聚六合投資諮詢企業(有限合夥)) (formerly known as Suzhou Juhe Cloud Data Technology Enterprise (Limited Partnership) (蘇州聚合雲數據技術企業(有限合夥)), a limited partnership established in the PRC on September 12, 2016 and one of our employee shareholding platforms
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

DEFINITIONS

“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Qiu”	Mr. QIU Jianqiang (邱堅強), a non-executive Director of our Company and one of our [REDACTED] Investors
“Mr. Zuo”	Mr. ZUO Lei (左磊), the founder, chairman, chief executive officer and executive Director of our Company
“Ms. Hua”	Ms. HUA Huan (華洵), the spouse of Mr. Zuo
“Ms. Ren”	Ms. REN Yuan (任園), a Supervisor of our Company and one of our [REDACTED] Investors
“Ms. Yang”	Ms. YANG Yanjun (楊彥君), an executive Director, deputy general manager, secretary to our Board and one of our joint company secretaries
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)
	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“People’s Congress”	the PRC’s legislative apparatus, including the National People’s Congress and all the local people’s congresses (including provincial, municipal and other regional or local people’s congresses) as the context may require, or any of them
“PRC GAAP”	generally accepted accounting principles of the PRC

DEFINITIONS

“PRC government” or “Central Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
“PRC Legal Advisors”	King & Wood Mallesons, our legal advisors as to PRC laws
“PRC Personal Information Protection Law”	Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), which entered into effect on November 1, 2021
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“[REDACTED] Investment(s)”	the pre-[REDACTED] investments in our Company undertaken by our [REDACTED] Investors, details of which are set out in “History, Development and Corporate Structure – [REDACTED] Investments”
“[REDACTED] Investor(s)”	Ms. Ren, JD Technology, Mr. Zhou Lijun, Tahoe Growth, Mr. Hua Yong, Mr. Qiu, Shanghai Keluopu, Mr. Wang Bin, Ms. Hua, Tahoe Growth II, Tahoe Lande, Mr. Cai Yitao, Mr. Chen Zhixin, Mr. Chu Xiaogang, Datong Qikai, Mr. Fan Shebin, Ms. Gong Juhui, Mr. Gu Guomin, Suzhou Guofa No. 8, Mr. Li Zhicong, Ms. Lu Fen, Ms. Mao Sipian, Mr. Shao Zhenkai, Ms. Wang Liping, Mr. Yang Xiaoning, Mr. Yu Fangbiao, Mr. Zhong Weiwei, ABC Investment and China-Singapore Ventures, details of our principal [REDACTED] Investors are set out in “History, Development and Corporate Structure – [REDACTED] Investors”
“Project 985 universities”	universities that belong to Project 985, a terminated project that was first announced at the 100th anniversary of Peking University on May 4, 1998, to promote the development and reputation of the Chinese higher education system by founding world-class universities in the 21st century. In 2019, the Ministry of Education of China reconfirmed that the Project 985 had been repealed and replaced by the Double First-Class University Plan

DEFINITIONS

“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
	[REDACTED]
“Relevant Persons”	the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their or the Company’s respective directors, officers or representatives or any other parties involved in the [REDACTED]
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Board
“R&D”	research and development
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“SAIC”	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which was merged into the State Administration for Market Regulation (國家市場監督管理總局)
“SAMR”	State Administration for Market Regulation of the PRC (國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Shanghai Keluopu”	Shanghai Keluopu Asset Management Center (Limited Partnership) (上海科珞普資產管理中心(有限合夥)), a limited partnership established in the PRC on July 8, 2014, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.0 each
“Shareholders(s)”	holder(s) of the Share(s)
“SOE(s)”	state-owned enterprise(s)
	[REDACTED]
“Sole Sponsor”	CITIC Securities (Hong Kong) Limited
	[REDACTED]
“sq.m.”	square meters
“State Council”	State Council of the People’s Republic of China (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Supervisor(s)”	the supervisors of our Company
“Supervisory Committee”	the supervisory committee of our Company
“Suzhou Guofa No. 8”	Suzhou Guofa No. 8 Industrial Investment and Development Partnership (Limited Partnership) (蘇州國發捌號產業投資發展合夥企業(有限合夥)), a limited partnership established in the PRC on July 23, 2019, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors

DEFINITIONS

“Tahoe Growth”	Suzhou Tahoe Growth Venture Capital Partnership (Limited Partnership) (蘇州太浩成長創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 5, 2014, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors
“Tahoe Growth II”	Suzhou Industrial Park Tahoe Growth Phase II Venture Capital Investment Partnership (Limited Partnership) (蘇州工業園區太浩成長二期創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 22, 2016, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors
“Tahoe Lande”	Suzhou Tahoe Lande Venture Capital Investment Partnership (Limited Partnership) (蘇州太浩蘭德創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2016, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors
“Tahoe Venture Capital”	Suzhou Tahoe Venture Capital Investment Management Partnership (General Partnership) (蘇州太浩創業投資管理合夥企業(普通合夥)), a general partnership established in the PRC on June 6, 2014, which is an investment fund registered under the Asset Management Association of China and one of our [REDACTED] Investors
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tianju Renhe”	Suzhou Tianju Renhe Technology Co., Ltd. (蘇州天聚人合科技有限公司) (formerly known as Zhuhai Alitaoka Network Technology Co., Ltd. (珠海阿里淘卡網絡技術有限公司)), a company established in the PRC with limited liability on September 7, 2009 and a wholly-owned subsidiary of our Company

DEFINITIONS

“Tianju Xinghe” Suzhou Tianju Xinghe Technology Co., Ltd. (蘇州天聚星合科技有限公司), a company established in the PRC with limited liability on December 3, 2019 and a wholly-owned subsidiary of our Company

“Track Record Period” the period comprising the years ended December 31, 2021, 2022 and 2023

[REDACTED]

“Unlisted Share(s)” ordinary shares in the capital of our Company with a nominal value of RMB1.0 each, which is/are not [REDACTED] on any stock exchange

“U.S.” or “United States” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

[REDACTED]

“VAT” value-added tax, which is an indirect tax levied on the value added at each stage in selling goods or labor services of processing, repair or replacement, selling services, intangible assets, or immovables, or importing goods within the territory of the PRC

[REDACTED]

“Wuhan Jushunhe” Wuhan Jushunhe Technology Co., Ltd. (武漢聚順合科技有限公司), a company established in the PRC with limited liability on August 9, 2021 and a subsidiary of our Company

DEFINITIONS

“Yiju Liuhe”	Suzhou Yiju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州一聚六合投資諮詢企業(有限合夥)) (formerly known as Suzhou Yiju Liuhe Data Technology Partnership (Limited Partnership) (蘇州一聚六合數據科技合夥企業(有限合夥)), a limited partnership established in the PRC on September 6, 2016 and one of our employee shareholding platforms
“Zhonghui Juhe”	Suzhou Zhonghui Juhe Information Technology Co., Ltd. (蘇州眾匯聚合信息科技有限公司), a company established in the PRC with limited liability on November 16, 2016 and a subsidiary of our Company
“%”	per cent
“14th Five-Year Plan”	The “14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要) of the People’s Republic of China issued by the CPC Central Committee and State Council in March 2021

Unless expressly stated or the context otherwise requires, all information and data in this document is as of the Latest Practicable Date.

In this document, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese version shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage.

“AI”	artificial intelligence
“API”	Application Programming Interface, a set of rules and protocols permitting software applications to communicate with each other.
“CAGR”	compound annual growth rate
“canary deployment”	the practice of releasing new features only to a subset of services or a portion of customers during product updates, gradually rolling out the new features to all customers
“CPU”	central processing unit
“data circulation”	data flow or exchange of data among organization or across different departments
“data silo”	a collection of data held by one group that is not easily or fully accessible by other groups in the same organization
“DevOps”	a set of practices, tools, and a cultural philosophy that automate and integrate the processes between software development and IT teams
“data factor”	data as a factor of production, which is used in the production process to produce goods or services
“data opening”	the process of an organization to selectively release the data it possesses to external parties with proper management and planning
“digital digest”	a numeric representation of a message that is computed by an algorithm or function and used to ensure the integrity of a message transmitted over an unsecured channel

GLOSSARY OF TECHNICAL TERMS

“Robots Exclusion Protocol”	a standard used by websites to indicate to visiting web crawlers and other web robots which portions of the website they are allowed to visit, website platform service agreements, and follow the requirements for data collection
“digital transformation”	a process to increasingly integrate advanced digital technology, explore the economic value of data, accelerate optimization and innovation of an organization, with the aim of enhancing operational efficiency, customer experience, and overall business performance. It encompasses the adoption and utilization of digital tools, platforms, and data-driven insights to drive innovation, streamline operations, and create sustainable competitive advantage
“elastic expansion”	a strategy that allows an API gateway to quickly and automatically increase or decrease server resource usage based on performance requirements. It enables dynamic adjustment of resources to meet fluctuating demands, ensuring optimal performance even during peak usage periods and supporting rapid business growth
“end-users”	in the context of describing our API business, individuals who use our customers’ applications, websites, or services and who during this process provide personal information, as defined by the PRC Personal Information Protection Law. Unless otherwise stated, this definition does not apply to “Regulatory Overview” and “Industry Overview” sections in this document
“federated learning”	a machine learning approach that allows for the development and refinement of models across multiple decentralized edge devices or servers holding local data samples, without the necessity to exchange the data itself

GLOSSARY OF TECHNICAL TERMS

“heterogeneous data”	data that is composed of different types, version or forms of information with different structure. These differences can arise from multiple sources, formats, structures, or nature of the data. When data from different sources are collected, the system may encounter data quality issues because data was collected in different formats. The complexity of heterogeneous data requires specialized methods and tools for its processing, integration, and analysis
“high concurrency”	the capability of a system to serve a large number of concurrent users
“homomorphic encryption”	a form of encryption that allows computations to be performed on encrypted data without having to decrypt the data
“HTML5”	a markup language used for structuring and presenting content on the World Wide Web. It is the fifth and final major HTML version
“HTTP”	Hypertext Transfer Protocol, an application layer protocol in the internet protocol suite model for distributed, collaborative, hypermedia information systems
“IoT”	Internet of Things, which refers to the connection of equipment and objects to the network through information sensing devices under certain protocols, allowing for information exchange and communication and achieving certain functions, such as intelligent identification and monitoring management
“key customers of API marketplace”	customers who contributed revenue of more than RMB1 million in a respective year. For the avoidance of doubt, the number of customers were calculated based on the number of our contracting parties and were not calculated on a consolidated basis, i.e., not taking account of whether any of them controlled each other or were under common control

GLOSSARY OF TECHNICAL TERMS

“MVCC”	Multiversion Concurrency Control Conflicts, a database optimization technique that creates duplicate copies of records so that data can be safely read and updated at the same time
“net dollar expansion rate of revenue from our key API marketplace customers”	revenue derived from our key customers of API marketplace in any given year divided by the revenue derived from the same key customers in the previous year, provided that the key customers must also have been a paid customer in the previous year. Otherwise the revenue attributable to the key customer will not be accounted for in the given year
“privacy-preserving computation”	a combination of technologies that allow computation and analysis to be jointly completed among different organizations based on their respective data without revealing original data to others to ensure the privacy of their data assets
“retention rate of our key customers of our API marketplace”	for a given year is calculated as the number of key customers of API marketplace in the prior year that remain as our paying customers in the current year, divided by the number of all key customers of API marketplace in such prior year
“RPA”	Robotic Process Automation
“smart contract”	Smart contracts are programs stored on a blockchain that run when predetermined conditions are met. They are often used to automate protocols or workflows, triggering next steps when conditions are met. Smart contracts work by following simple “if/when...then...” statements written into the code of the blockchain. When predetermined conditions are met and verified, the computer network performs operations. When a transaction is completed, the blockchain is updated. This means that transactions cannot be changed and the results are visible only to permitted parties. Smart contracts can be programmed by developers. Organizations using blockchain for business are increasingly providing templates, web interfaces, and other online tools to simplify the construction of smart contracts

GLOSSARY OF TECHNICAL TERMS

“SaaS”	Software as a service, a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. SaaS is also known as on-demand software, web-based software, or web-hosted software
“SMS”	short message service
“SMS notice”	short message service notices are text messages sent in response to events or transactions
“SQL”	Structured Query Language, a domain-specific language used in programming and designed for managing data held in a relational database management system, or for stream processing in a relational data stream management system
“TPS”	Transactions Per Second
“vertical service capabilities”	the capabilities to understand and provide services and solutions to customers in a certain industry sector
“zero-knowledge proof”	a cryptographic method where one party, the prover, can demonstrate to another party, the verifier, that the prover possesses specific knowledge or a particular secret, without revealing any information about the knowledge or secret itself. This proof satisfies three properties: completeness (an honest prover can convince an honest verifier), soundness (a dishonest prover cannot convince an honest verifier), and zero-knowledge (the verifier learns nothing about the secret apart from the fact that the prover possesses it)

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “estimate”, “predict”, “aim”, “intend”, “will”, “may”, “plan”, “consider”, “anticipate”, “seek”, “should”, “could”, “would”, “continue” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the data service industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to China and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

FORWARD-LOOKING STATEMENTS

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

You should carefully consider all the information in this document and, in particular, the risks and uncertainties described below before making an [REDACTED] in our H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occur, the [REDACTED] of our H Shares could decline and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Fluctuations in demand for our services and solutions may adversely affect our business and results of operations. Any loss of or decline in demand for our products and services could materially and adversely affect our business, results of operations and financial condition.

We provide API marketplace and data management solutions based on the demand of our customers. For API marketplace, we charge customers based on the number of requests they make and the price of each request. For data management solutions, our revenue depends on the number of projects, the price of each project and our ability to develop new customer relationships in a timely manner. Any decrease in demand for our products and services, such as a decrease in the number of requests or the price of each request, as well as project prices or our failure to develop new customer relationships in a timely manner, may have a material adverse effect on our business, financial performance, and results of operations. A number of factors could negatively affect our demand for our products and services, including if:

- we fail to update or expand our existing services and solutions or develop new technologies;
- we suffer from negative publicity, fail to maintain our brand image or our reputation is damaged;
- we fail to address customers’ concerns related to privacy, safety or security;
- we make adverse changes to our services or become unable to provide services in response to new legislation, regulations or government policies; and
- we fail to compete effectively.

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We had a market share of 2.1% in the API-enabled data exchange service market in China and 0.2% market share in the data management solution market in China as measured by revenue in 2022. There is no guarantee that we will be able to maintain our current market position or compete with our peers effectively. See “– Failure to maintain our advantages in an increasingly competitive market may adversely affect our business and growth prospects.” Furthermore, our customers include government entities and state-owned enterprises in the public sector and companies from the internet, manufacturing, telecommunications and financial industries in the private sector. Any legislation or industrial policy that adversely affects the business in which our customers operate, or measures taken that reduce the size of such industries, may lead to a decrease in demand, thus materially and adversely impacting our business, financial condition, and results of operations. Many of our customers and suppliers are also subject to laws that safeguard data privacy and security in China, as well as licensing requirements for telecommunications services and regulations on e-commerce. Changes in their internal policies as a result of regulatory changes may also prohibit them from supplying us with data or purchasing services and solutions from us. Any termination of our access to some or all of the data sources provided by our key suppliers could materially and adversely affect our ability to meet customer demand. In addition, any reduction in the purchase of our services and solutions by our key customers could materially and adversely affect their respective revenue contribution. As we pursue new business opportunities, we may also need to implement additional compliance requirements at the request of our customers and suppliers to facilitate these endeavors. This could result in significant costs, which may in turn adversely affect our results of operations.

Unauthorized access to our customers’, suppliers’, or our own data could harm our reputation and have a negative impact on our business and financial performance.

Our service offerings and IT systems may be vulnerable to security breaches by hackers, employee errors, and malfeasance. Such breaches could result in unauthorized access to, or denial of authorized access to, our IT systems, our customers’ and suppliers’ data or our data.

The techniques used to breach IT systems are constantly evolving and growing more complex over time. As a result, we may be unable to anticipate or implement adequate measures to prevent future breaches. The detection, prevention and remediation of known or potential security vulnerabilities may result in additional costs and materially and adversely affect our business, financial condition and results of operations.

Moreover, we do not control our customers, suppliers or their partners’ IT or compliance systems and cannot guarantee that they have sufficient measures in place to safeguard data privacy and security. Malicious third parties may also conduct attacks designed to deny customers access to our services. A security breach could result in a loss of confidence in the security of our services and solutions or our Company, materially and adversely affecting our business, financial condition and prospects. We also cannot guarantee that our customers and their end-users would not misuse the data they process using our services and solutions, and that such misuse would not adversely affect our business and reputation.

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Finally, in recent years, there have been growing concerns about data security and privacy in China. Such concerns, even if unfounded, could damage our reputation and business operations.

Our ability to attract and retain qualified personnel could materially affect our business and the results of operations. Rising labor costs in China could make it more costly to attract and retain qualified personnel and adversely affect our results of operations.

Our business requires a large number of information technology talents, including software development engineers, algorithm engineers, and core technology personnel. Competition for high-end talents in the industry is fierce. If we lose key R&D professionals to competitors and fail to attract talents that can effectively replace them in time, our core technical and R&D teams will be negatively affected, and our business and results of operations may be materially affected. Our financial performance in the future will also depend, in part, on our ability to recruit, train and retain a sufficient number of new experienced research and development, sales and other key employees. Our recent hires and planned hires may not become as productive and efficient as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. Our future performance also depends on the continued services and contributions of our senior management. Any loss of service of our senior management can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and results of operations.

In addition, the average wage in China has risen in recent years and is expected to continue to rise. In the technology and data service industry, in particular, fierce competition for high-end talents has led to a notable increase in wages for experienced and highly educated personnel. Moreover, we are required by PRC laws and regulations to pay various statutory employee benefits, such as pension, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Unless we are able to control our labor costs or pass on these increased labor costs to our customers, we may not be able to attract and retain qualified personnel, and our financial condition and results of operations may be adversely affected.

If we cannot continue to innovate or effectively respond to the rapidly evolving technology, market demands, industry dynamics and other risks and uncertainties, our business, results of operations and prospects would be materially and adversely affected.

If we fail to innovate, our position in the industry could be damaged, which in turn would materially and adversely affect our business, financial condition, results of operations and prospects. Sustained innovation requires us to invest significant resources in identifying unmet or underserved customer needs, developing new technologies and services, and attracting talents, among other things. Our investments in innovation, which could be costly, may not generate the expected economic benefits in the near term, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely

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affected. In addition, if we are unable to respond to technological developments or changing market dynamics in a cost-effective and timely manner, our business, financial condition and results of operations may also be materially and adversely affected.

We need to anticipate customer preferences and market trends and respond to changes in our markets in a timely and effective manner. In addition, we face uncertainties in relation to the intensifying competition and evolving regulatory environment in China’s data technology sector. Market changes and developments may from time to time require us to re-evaluate and adjust our business model, upgrade our offerings, and adopt significant changes to our business strategies and plans. We cannot assure you that we will be successful in implementing these initiatives. If we fail to adapt to these developments promptly, or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our services and solutions depend on the performance of internet infrastructure, third-party service providers and our technologies. Unexpected system failures, interruptions, and inadequacies may harm our business and results of operations.

Our API marketplace relies on the proper functioning of cloud-based internet infrastructure leased from third-party service providers. Our data management solutions rely on the proper functioning of our customers’ internet infrastructure. We cannot guarantee that the internet infrastructure we lease will be able to accommodate the rising number of API requests made by our customers. Regarding our data management solutions, we typically have no control over our customers’ internet infrastructure. Hence, we cannot assure you of the continued efficient operation of our data management solutions. With the expansion of our business, we may be required to upgrade our IT systems or lease additional internet infrastructure to keep up with the increasing traffic we need to run our systems. There is no guarantee that we can do so in a timely and cost-efficient manner or secure additional internet infrastructure that meets our needs, if at all.

The services and solutions we offer are reliant upon our technologies and the software and hardware from our suppliers, which we also use in developing our services and solutions. However, our suppliers may encounter technical errors that prevent their products or services from operating properly, which could in turn adversely affect the quality of our services and solutions and other aspects of our business where we rely upon their services. Our query APIs rely on the supply from data service suppliers. We offer SMS notice services through SMS service providers and mobile top-up services through top-up service providers or telecommunication operators. See “Business – Our Services and Solutions – API Marketplace – Service Types” for more details. Uninterrupted services of API marketplace rely on the proper functioning of data service providers, SMS service providers, top-up service providers and telecommunications operators and their continued abilities and qualifications to supply services to us. Any disruptions in, or failure to procure their services could lead to interruptions or low quality of our services, which could adversely affect our business and results of operations. In addition, performance problems, defects or errors in our data management solutions may arise and may result from any defects and errors that were undetected in our testing. Such defects and errors, and any failure by us to identify and address them, could result

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in a loss of revenue or market share, diversion of R&D resources, harm to our reputation and increased service and maintenance costs. If our services and solutions do not function reliably or fail to meet our customers’ expectations in terms of performance, we may lose existing customers or fail to attract new ones, which may damage our reputation and adversely affect our business.

Furthermore, we have no control over the costs of the services provided by telecommunications operators. If the prices we pay for telecommunications and internet services rise significantly, and we fail to mitigate the increased costs by passing on them to our customers, our results of operations may be materially and adversely affected. Our internet infrastructure may encounter disruptions or other outages caused by problems or defects in our technologies and systems, such as software malfunctions or network overload. We may encounter problems when upgrading our systems or services and solutions and there may be undetected programming errors, which could adversely affect the performance of our operating systems and customer experience.

We have experienced, and in the future may continue to experience, net operating cash outflow, an increase in trade receivables turnover days and a substantial amount of unbilled trade receivables, all of which could expose us to liquidity risks.

For the years ended December 31, 2021 and 2022, we had net cash outflows from operating activities of RMB33.8 million and RMB36.8 million, respectively. We had net operating cash outflows during these years primarily because of (i) increases in our trade receivables, driven by increases in our post-paid API marketplace customers and data management solution customers; (ii) increases in our prepayments, deposits and other receivables to strengthen our relationships with our suppliers and ensure steady supply of data services for our API marketplace and specialized software and hardware for our data management solutions; and (iii) an increase in our inventories in 2021, primarily because we had yet to deliver certain data management solutions to our customers at the end of the year, and the cost of sales related to these projects were accounted for as inventories.

The increase in our receivable turnover days and reduction in our payable turnover days during the Track Record Period also led to a longer cash conversion cycle, which further impacted our cash flow and working capital. A large portion of our current assets consists of trade receivables. As of December 31, 2021, 2022 and 2023, our trade receivables, net of impairment loss allowance, totaled RMB91.2 million, RMB124.0 million, and RMB175.1 million, respectively. These amounts accounted for 21.7%, 28.6%, and 36.4% of our total current assets, respectively. A substantial portion of the trade receivables were unbilled trade receivables. As of December 31, 2021, 2022 and 2023, the unbilled receivables for API marketplace were RMB43.9 million, RMB60.2 million and RMB90.0 million, respectively, and the unbilled receivables for data management solutions were RMB39.3 million, RMB34.7 million and RMB37.1 million, respectively. These unbilled receivables were primarily due to the prolonged process from revenue recognition to payment settlement of our API marketplace and the fact that we issue invoices after the data management solution customers have fulfilled their internal protocols to make payments. See “Business – Our Customers – General Terms of

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Contracts with Customers”. We have experienced an increase in the turnover days of trade receivables from 114 days in 2021 to 133 days in 2023. This increase was primarily due to our acquisition of major customers, which include large internet companies and government organizations, which typically settle payments after using our API services or after the delivery and acceptance of data management solution projects. In addition, before we issue invoices to our customers, we have to wait for the long internal approval process by our customers’ business and/or finance departments, which can take weeks or even months. For our monthly settled API marketplace customers, they take time to reconcile their internal records with our records in order to ascertain that they have been charged for the correct number of API requests. All these reasons contribute to our increased turnover days of trade receivables. The increased turnover days potentially expose us to higher credit risks. If our customers encounter capital turnover issues, some of our trade receivables may not be collected on time, or they may even become bad debts. This could affect our capital turnover, liquidity, and cash flow.

Our trade payables primarily consist of amounts owed to our suppliers. There was a decrease in turnover days for our trade payables from 95 days in 2021 to 57 days in 2023. This decrease was primarily due to our efforts to accelerate the settlement of payables to ensure a steady supply of data services and specialized software and hardware, and to strengthen our relationships with our suppliers. The reduction in turnover days may lead to a longer cash conversion cycle, which could further add pressure to our cash flow and working capital.

Due to the changes in turnover days of our trade receivables and trade payables, we recorded net cash outflows from operating activities of RMB33.8 million and RMB36.8 million in 2021 and 2022, respectively. Beyond these changes, we cannot guarantee that future business activities or other external factors, such as market competition and macroeconomic shifts, will not negatively impact our operating cash flow, potentially leading to net operating cash outflows in the future. Net operating cash outflow may require us to seek additional financing from [REDACTED] or [REDACTED] our H Shares, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to maintain our advantages in an increasingly competitive market may adversely affect our business and growth prospects.

We face competition from large internet companies who possess strong technological and financial resources, are well-known in the market and have well-established customer networks. It would be difficult for us to reach a comparable business scale in the short term that would allow us to compete against them on the same level. We had a market share of 2.1% in the API-enabled data exchange service market in China and 0.2% market share in the data management solution market in China as measured by revenue in 2022. The top market players of the integrated API-enabled data exchange service market, which is a component of the API-enabled data exchange service market, include a business unit of a leading public AI company listed on both the Stock Exchange and NASDAQ, a business unit of a Chinese multinational technology company listed on the Stock Exchange and the New York Stock

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Exchange, and two API-enabled data exchange companies that specialize in providing API-enabled data exchange platforms. There is no guarantee that we will be able to maintain our market position or compete with large internet and technology competitors effectively. Another type of market player in API-enabled data exchange service market is industry-specific API-enabled data exchange service providers. They focus on providing API-enabled data exchange service with specific types of data. We also face competition from them on certain projects. There are three types of participants in the data management solution market: traditional IT infrastructure providers, whose competitive advantages are that they are experienced in providing hardware products to enterprises; internet giant-affiliated service providers, whose competitive advantages are that they enjoy a strong reputation in providing data management services; and data management service providers such as us. We had a relatively small market share in the data management solution market. Participants like internet giant-affiliated service providers and traditional IT infrastructure providers may negatively affect our market position by leveraging their business scale, customer networks or their reputation. Failure to compete with other players in the API-enabled data exchange service or data management solution market effectively may lead to a loss of our current market position and a decrease in our revenue, in turn negatively affecting our business, financial condition, results of operations and prospects. In addition, as the PRC government has been supporting the development of China’s digital economy, the API-enabled service market and data management solution market in China have been developing rapidly. The increasing number of new market entrants has led to heightened competition. If we cannot keep up with new market trends and maintain our competitive advantages, we may lose market share to competitors, and our business, financial condition, results of operations and prospects may be adversely affected.

Our business is subject to seasonality.

Both our API marketplace and data management solution business lines are subject to seasonal fluctuations and generally experience higher revenue and profitability in the fourth quarter of the year. Our revenue from API marketplace, in particular revenue derived from our internet company customers, generally experiences spikes in the fourth quarter due to these internet companies’ increased customer flow from online shopping festivals that occur toward the end of the year, such as annual sales on November 11, or “Double Eleven” (雙十一), and annual sales on December 12, or “Double Twelve” (雙十二). For data management solutions, we generally provide solutions to customers in the form of projects, for which we commence work in the first quarter and deliver our solutions in the fourth quarter. We recognize the revenue from these projects when the software platform and related services are delivered to and accepted by the customers. As a result, our business typically experiences seasonal fluctuations. Comparing our results of operations on a quarter-by-quarter basis, whether for our API marketplace or data management solutions, may not be meaningful.

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We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

During the Track Record Period, our top five suppliers and top five customers included PRC government entities, local SOEs, telecommunications operators and internet companies. Our revenue generated from our top five customers accounted for approximately 41.1%, 43.7%, and 62.3% of our total revenue for each of the years ended December 31, 2021, 2022 and 2023, respectively. Our purchases from our top five suppliers combined accounted for 56.2%, 69.9% and 83.2% of our total purchases for each of the years ended December 31, 2021, 2022 and 2023, respectively. Furthermore, we had only limited number of data management solution customers during the Track Record Period. In 2021, 2022 and 2023, 18, 21 and 28 customers, calculated on a consolidated group basis, purchased our data management solutions, respectively. There is no guarantee that we will be able to maintain our business relationship with our existing customers and suppliers or secure new contracts from them in the future. If we are unable to secure projects of comparable contract value and quantity from new customers, or obtain sufficient new business from existing customers in a timely manner or at all, our business, results of operations and financial condition would be materially and adversely affected, and it may cause material fluctuations in our revenue. In addition, should any of our major customers delay or default in making payments to us or at all, our cash flow and financial position would be adversely affected. Meanwhile, any significant increase in the prices charged by our suppliers will increase our costs and may adversely affect our results of operations if we are not able to pass on the increased costs to our customers in a timely manner or at all. The prices charged by our suppliers may be affected by factors beyond our control, such as inflation, regulatory developments and economic cycles. We cannot assure you that we will not experience any of the above factors in the future.

We are subject to risks relating to Third-Party Payment Arrangements.

Our customers may use the Third-Party Payment Arrangements (as defined in “Business – Regulatory Compliance – Third-Party Payment Arrangements”) to pay for our services. Such Third-Party Payment Arrangements include, among other things, circumstances where settling payments through their affiliates, including their shareholders, subsidiaries or entities that are under common control, or their employees, business partners or friends and families to make payments on their behalf or mainly through Alipay. We have not and will not acquire all third-party payment authorization letters due to several reasons, such as dissolution of some corporate customers, their refusal to cooperate or our failure to reach such customers. We have not been subject to any disputes or complaints over the Third-Party Payment Arrangements during the Track Record Period. However, we cannot guarantee that in the future, we will not be subject to potential disputes, claims or liabilities in relation thereto, which may adversely affect our reputation and business.

In addition, we are subject to various risks and uncertainties associated with the Third-Party Payment Arrangements, such as payment collection issues, fraud, money laundering and other illegal activities in connection with these payments. In addition, we do not have control over the third-party paying entities. If these third-party payment entities

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experience any non-compliance incidents, they may be subject to fines and may make us liable for the non-compliance payments and may not be able to provide uninterrupted payment to our Group, which in turn would adversely affect our business. In addition, we have ceased all Third-Party Payment Arrangements since November 27, 2023, upon which some customers need to rectify their payment approach. If they cannot timely rectify, our business and financial results may be adversely affected.

Our failure to comply with existing or future laws and regulations related to data security, data protection, cybersecurity or personal information protection could lead to suspension of our business operations, liabilities, administrative penalties or other regulatory actions, which could negatively affect our results of operations and business.

Similar to many other jurisdictions, the PRC government has in recent years tightened the regulation of data collection, storage, sharing, use, disclosure and protection. To address concerns regarding misuse of data, the PRC government has enacted a series of laws to safeguard data privacy and security, including without limitation the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), the PRC Data Security Law (《中華人民共和國數據安全法》), the PRC Personal Information Protection Law, Cybersecurity Review Measures (《網絡安全審查辦法》), the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), and the Network Data Security Management Regulations (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》). These PRC laws and regulations require internet service providers and other network operators, among other things, to clearly state the authorized purpose, methods and scope of the collection and usage of data and obtain the consent of users for the processing of this data, and to establish user information protection systems with remedial measures. For example, the PRC Personal Information Protection Law stipulates details of the general rules and principles on personal information processing and further increases the potential liability of personal information processor.

Cybersecurity Review Measures stipulate that critical information infrastructure operators (the “CIIOs”) (關鍵信息基礎設施運營者) who purchase network products and services that affect or may affect national security, as well as internet platform operators conducting data processing activities that affect or may affect national security, shall be subject to a cybersecurity review. Internet platform operators who hold more than one million users’ personal information must also apply for a cybersecurity review before seeking a listing abroad (赴國外上市).

Uncertainties remain with respect to the regulatory regime, and there is no assurance that we will always be deemed to fully comply with the requirements of the Cybersecurity Review Measures or other similar legal and regulatory developments. In such cases, we may be ordered to rectify or terminate our activities that are deemed illegal by regulatory authorities.

The CAC promulgated the Regulations on Network Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) on November 14, 2021. The draft stipulates that a data processor contemplating to list its securities on a stock exchange in Hong Kong is required to apply for a cybersecurity review pursuant to relevant rules and regulations,

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if the proposed [REDACTED] will affect or may affect national security. However, the draft does not provide the standard to determine under what specific circumstances such listings would “affect or may affect national security.” As of the Latest Practicable Date, the draft was only released for public comments and its final version and effective date may be subject to change and uncertainty. Provided that the draft is implemented in its current form, and our [REDACTED] were deemed to “affect or may affect national security,” and we failed to initiate and apply for a cybersecurity review in line with relevant requirements, we would be subject to requests of rectification, warning, suspension or termination of operations, or other penalties, which may materially affect our business and financial conditions.

Pursuant to the Measures for the Security Assessment of Outbound Data (《數據出境安全評估辦法》), which were promulgated by the CAC on July 7, 2022 and came into effect on September 1, 2022, to provide data abroad, a data processor falling under any of the following circumstances shall, through the local cyberspace administration at the provincial level, apply to the CAC for security assessment of outbound data: (i) where a data processor provides important data abroad; (ii) where a CIO or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required. As of the Latest Practicable Date, we had not been involved in any cross-border data transfer during our daily operations. However, in the event that the regulatory authorities deem certain of our activities as a cross-border data transfer, we will be subject to the relevant requirements. Such failure to report or any material legal impediments during the process of reporting security assessments for cross-border data transfers for us may materially and adversely impact on our business operation or the [REDACTED].

Compliance with applicable personal information and data security laws and regulations is a rigorous and time-intensive process. As data protection laws and regulations increase in number and complexity, we cannot assure you that our data protection systems will be considered sufficient under all applicable laws and regulations. Furthermore, we cannot assure you that the information we process for our customers and the information we receive from our suppliers are obtained and transmitted to us in full compliance with relevant laws and regulations by our customers and suppliers. Moreover, there could be new laws, regulations or industry standards that require us to acquire additional licenses, change our business practices and privacy policies, and we may also be required to put in place additional mechanisms ensuring compliance with new data protection laws, all of which may increase our costs and materially harm our business, prospects, financial condition and results of operations. Any failure or perceived failure by us to comply with applicable laws and regulations or acquire additional licenses could result in the suspension of our business operations, monetary damage, or proceedings or actions against us by governmental entities, individuals or others. Our reputation could also be adversely affected by actions taken by the PRC government in

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response to data security and privacy threats. Future government actions and unfavorable restrictions, whether targeted at us or imposed on all companies that offer data-related services and solutions, may materially and adversely affect our business, financial conditions, results of operations and prospects.

Any leak of our core technologies and business secrets could adversely affect our business and results of operations.

There can be no assurance that our core technologies and other business secrets would not be leaked due to illegal competition or other reasons. Our confidentiality and non-compete agreements with key personnel and other precautionary measures may not be sufficient to protect our core technologies and other business secrets. If any of our core technologies or business secrets is leaked, our competitive advantage may suffer as a result, and our business and results of operations may be materially and adversely affected.

Our research and development efforts may not yield the benefits we expect, and our business and results of operations may be materially and adversely affected.

Our research and development costs incurred were approximately RMB16.9 million, RMB26.3 million and RMB24.3 million in 2021, 2022 and 2023, respectively, accounting for approximately 6.5%, 8.0% and 5.5% of our revenue for each of the corresponding years, respectively. However, we need to continuously invest financial and human resources in technological research and development to remain competitive in the market.

In addition, the outcome of research and development is inherently uncertain, and we may encounter practical difficulties in commercializing our research development results. Our expenditures on research and development may not generate benefits as we expect. We may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industry could render our research and development efforts and the services and solutions that we are developing or expect to develop in the future obsolete, not commercially viable or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenue, profitability and market share.

Failure to comply with the labor and social insurance-related laws and regulations may adversely affect our business, financial condition, and results of operations.

The PRC government has issued various labor-related regulations to further protect the rights of employees. Companies operating in China are required to complete related registration with the competent authorities and contribute to the government-sponsored employee benefits plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based.

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During the Track Record Period, we did not pay social insurance and housing provident fund in full for certain of our employees, primarily in relation to their discretionary bonus. We have also engaged third-party human resources agencies to pay on our behalf social insurance premium and housing provident funds for a small portion of our Company and Tianju Renhe employees (the “**Employee Third-Party HRA Payment**”). As a result, we may be required by competent authorities to pay the outstanding amount and may be subject to additional contribution and late payment penalties. For the years ended December 31, 2021, 2022 and 2023, we estimate the shortfall in the aggregate amount of contributions made by the Group to its employees’ social insurance was approximately RMB1.5 million, and the shortfall in the aggregate amount of unpaid housing provident fund was approximately RMB0.7 million. During the Track Record Period, due to the shortfall of social insurance and housing provident fund contributions, the maximum potential late payment fee that we may be subject to would be approximately RMB0.4 million and the maximum potential penalties that we may be subject to would be approximately RMB6.7 million. In addition, the aggregate amount of social insurance contributions and housing provident fund made through third-party human resources agencies was approximately RMB1.5 million and RMB0.7 million, respectively. If the Employee Third-Party HRA Payment is challenged by government authorities, we may be deemed to have failed to have discharged our obligations in relation to the payment of social insurance and housing provident funds through our own accounts as an employer. Our Group undertakes that if we are ordered by the competent government authorities to pay additional contributions in respect of the Employee Third-Party HRA Payment, we would do so within the prescribed period. We estimate that in the event that we are ordered to make up for the social insurance and housing provident funds contributions made by third party agencies on behalf of us during the Track Record Period, the maximum late payment fee would be approximately RMB0.7 million. See “Business – Employees” for details of our non-compliance. We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us. Such actions may have a material and adverse impact on our financial position and results of operations.

Unauthorized use or other violation of our intellectual property rights by our customers, employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We rely on a combination of patent, trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual property to protect our intellectual property rights. The steps we have taken to protect our intellectual property, such as entering into confidentiality agreements and intellectual property ownership agreements with our employees, may not be adequate to prevent the infringement or misappropriation of our proprietary technology, know-how or other intellectual property. Infringement, misappropriation or challenges of our intellectual property rights, unauthorised use or disclosure of our trade secrets and other intellectual property, significant impairments to our intellectual property rights and limitations on our ability to

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assert our intellectual property rights against others, may result in a material and adverse effect on our business. Third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties. Further, others may engage in conduct that constitutes unfair competition, defamation or other violations of our rights, which could harm our business, reputation and competitive position. If there arises the need to use litigation to enforce our intellectual property rights, such litigation could result in substantial costs and diversion of our resources and disrupt our business.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights, trademarks or other intellectual property rights held by third parties. We may be subject to penalties, legal proceedings and claims relating to the intellectual property rights of others in the future. Allegations that we have infringed the intellectual property rights of third parties, may harm our brand and reputation, even if they do not result in liability. For details, see “Appendix VII – Statutory and General Information – B. Further Information about Our Business – 2. Intellectual Property Rights of our Group”. We cannot assure you that any of our intellectual property applications will ultimately proceed to registration or will result in registration with adequate scope for our business, or that any of our intellectual properties or pending applications or registrations would not be challenged by third parties or found by competent authority to be invalid or unenforceable. Third parties may also file applications to register intellectual property that is the same as or similar to that we are applying for. If our intellectual property applications are rejected by the relevant regulatory authority, we may be prohibited from using the relevant intellectual property, which may have an adverse effect on our business and operations.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity.

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess or quantify. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required. There could also be negative publicity associated with such disputes or proceedings, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant disputes or proceedings could adversely affect our business, results of operations, financial condition or reputation.

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We may not be able to identify or pursue suitable expansion opportunities or achieve optimal results in future expansions.

We intend to further expand our business in the future. However, expansion plans may not be successfully completed and we may not be able to find or consummate suitable alternatives. New expansion plans may also result in our incurrence of debts and other liabilities, assumption of potential legal liabilities in respect of new acquisitions, and incurrence of impairment charges related to goodwill and other intangible assets, any of which could harm our businesses, financial condition and results of operations. It may also be difficult for us to win market share from established industry players despite our expansion efforts. As a result, there can be no assurance that we will be able to realize the strategy behind an expansion plan, reach the desired level of operational integration or achieve our investment return goals.

If we fail to effectively manage our growth, our business, results of operations and financial condition could be adversely affected.

We cannot assure you that our revenue growth will continue, or that our business will be able to maintain its growth rate as in the past. In addition, as market competition intensifies and our industry matures, the growth rate of our revenue may decrease. Our historical results of operations and financial performance may not be indicative of our future growth.

We must improve our corporate governance and structure to effectively manage our business on a larger scale. We will also need to continue training and managing our workforce, especially our R&D personnel. All these efforts will require significant managerial, financial and human resources. If we fail to allocate such resources effectively to support our growth or implement our business strategies, we may face issues such as a decrease in operational efficiency, an increase in operational costs and a decrease in profitability. Our business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

Our inability to use software licensed from third parties, including open-source software, could negatively affect our ability to sell our solutions and subject us to possible litigation.

Our technology platform incorporates software licensed from third parties, including open-source software and code such as HTML5, which we use without charge. The terms of many open-source licenses that we are subject to have not been interpreted by courts, and there is a risk that these licenses could be construed to impose unanticipated conditions or restrictions on our ability to provide our services and solutions. In addition, the terms of open-source software licenses may require us to provide software that we develop to others on unfavorable license terms. For example, certain open-source licenses may require us to offer the components of our platform that incorporate open-source software for free, to make the source code for modifications or derivative works available to others, and to license such modifications or derivative works under the terms of the particular open-source license. In addition, we could be required to seek licenses from third parties in order to continue offering our services and solutions, and these licenses may not be available on terms acceptable to us,

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or at all. Alternatively, we may need to re-engineer our services and solutions or discontinue using certain functionalities of our services and solutions. Our inability to use third-party software could result in disruptions to our business or delays in developing future offerings or enhancements of our existing services and solutions, which could materially and adversely affect our business and results of operations.

We are exposed to changes in the fair value of financial assets at FVOCI and financial assets at FVTPL and valuation uncertainties due to the use of unobservable inputs.

We are exposed to fair value changes for financial assets at FVOCI and financial assets at FVTPL and valuation uncertainty due to the use of unobservable inputs that require judgment and assumptions which are inherently uncertain. As of December 31, 2021, 2022 and 2023, our financial assets at FVOCI were RMB88.2 million, RMB76.0 million and RMB61.7 million, respectively. For details, see “Financial Information – Non-Current Assets and Liabilities – Financial Assets at FVOCI”. As of December 31, 2021, 2022 and 2023, our current and non-current financial assets at FVTPL totaled RMB103.1 million, RMB35.2 million and RMB5.2 million, respectively. For details, see “Financial Information – Current Assets and Liabilities – Financial Assets at FVTPL”. These financial assets are level 3 financial instruments and are valued at least once every year to determine their fair value.

Since the value of our financial assets depends on the investment performance of the underlying financial instruments, our investments are subject to all the risks associated with those underlying financial instruments, including the possibility of bankruptcy of the unlisted entities. Any potential realised or unrealised losses in our investments in the future resulting from the changes in the value of the financial instruments we invested in may adversely affect our business, our results of operations and our financial condition.

The fair value of our financial assets that are not traded in an active market is determined using valuation techniques, which require judgment and assumptions and involve the use of unobservable input, such as the discount for lack of marketability. Changes in the basis and assumptions used in the valuation of the fair values could materially affect the fair value of these financial assets. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, changes in market interest rates and stability of the capital markets. The valuation may involve a significant degree of judgment and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations.

We are subject to credit risks related to our trade receivables and prepayments, deposits and other receivables.

During the Track Record Period, our business continued to grow and we experienced an increase in our number of post-paid customers, which resulted in an increase in our trade receivables. As of December 31, 2021, 2022 and 2023, our trade receivables, net of impairment loss allowance, totaled RMB91.2 million, RMB124.0 million, and RMB175.1 million,

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respectively. We cannot assure you that all our customers are creditworthy and will not default on us in the future. As a result, we are exposed to credit risk in relation to our trade receivables. As we plan to continue expanding our business, we cannot guarantee that our trade receivables will not continue to increase in the future, which may adversely affect our liquidity. Our impairment loss allowance for trade receivables was RMB4.1 million, RMB5.8 million and RMB15.9 million as of December 31, 2021, 2022 and 2023, respectively.

Our prepayments, deposits and other receivables primarily consisted of our prepayments to suppliers, prepaid input VAT, bidding deposits, and advances to employees in daily operations. Our prepayments, deposits and other receivables amounted to RMB20.4 million, RMB59.5 million and RMB78.8 million as of December 31, 2021, 2022 and 2023, respectively. There is no guarantee that suppliers and other third parties will perform their obligations or do so in a timely manner, and we are subject to credit risk in relation to prepayments, deposits and other receivables. Our impairment loss allowance for prepayments, deposits and other receivables was RMB1.0 million, RMB0.3 million and RMB0.2 million as of December 31, 2021, 2022 and 2023, respectively.

We cannot assure you that our past provisioning practice will not change in the future or that our provision levels will be sufficient to cover defaults in our trade receivables, prepayments, deposits and other receivables. If we need to make additional impairment allowances in the future, our business, cash flows, and results of operations may be adversely affected.

Any change in or discontinuation of preferential tax treatments or government grants that are currently available to us could adversely affect our business, financial condition and results of operations.

During the Track Record Period, some of our operating subsidiaries in China were subject to Corporate Income Tax rate of 25% on the taxable income. Our Company and our subsidiary Tianju Renhe were recognized as High-Technology Enterprises and benefited from a preferential tax rate of 15% starting from December 2018 and November 2021, respectively. Some of our subsidiaries were eligible for a preferential tax rate for small and micro-enterprises ranging from 2.5% to 5.0%. However, there is no guarantee that we can receive the same or similar preferential tax treatments, or at all, in the future if other income tax laws and regulations or other regulatory measures come into effect. If we no longer receive the same or similar tax treatments, our financial condition may be adversely affected.

In 2021, 2022 and 2023, we received government grants totaling RMB7.4 million, RMB5.6 million and RMB8.4 million, respectively, in consideration of our research and development activities, innovations, IP development, talent recruitments and other aspects of our operations conducted in the ordinary course of business. These government grants and their amounts were subject to the discretion of local governments. Thus, we may not continue to receive such grants in the future. If the amounts of the government grants we receive are reduced in the future, or if the government eliminates such grants altogether, our results of operations and profitability may be adversely affected.

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We incurred, and in the future may continue to incur, net losses.

In the case of API marketplace, our revenue and profit are usually much higher in the fourth quarter of the year; and in the case of our data management solutions, we typically commence projects in the first quarter and deliver our solutions to customers in the fourth quarter of the year. As a result, our cost of sales and other expense items recognized during the first nine months of the year are not proportional to the revenue recognized during the same period. We expect seasonality to continue to have a negative impact on our profitability during the first nine months of the year. We may continue to incur net losses during the first nine months of the year in the future and may not be able to achieve or subsequently maintain profitability for such time periods.

Our historical growth may not be sustainable or indicative of our future growth.

Our business has grown substantially in recent years, but the past growth may not be indicative of our future growth. Our revenue continued to grow in 2021, 2022 and 2023. Our gross profit increased in 2023 compared to 2022, while our gross profit margin had a period-over-period decrease. In addition, you should also consider our business and prospects in light of other risks and challenges we may encounter. See “– If we cannot continue to innovate or effectively respond to the rapidly evolving technology, market demands, industry dynamics and other risks and uncertainties, our business, results of operations and prospects would be materially and adversely affected”, “– Failure to maintain our advantages in an increasingly competitive market may adversely affect our business and growth prospects” and other risk factors in this “Risk Factors” section. We cannot assure you that we will be able to achieve performance similar to that we have achieved in the past. Investors should not solely rely on our historical financial information as an indication of our future financial or operating performance.

We may not be able to detect or prevent fraud, other misconduct or any arrangements related to our services unknown to or unauthorized by us that are committed by third parties or our employees, which may have a negative impact on our reputation and business.

Fraud, other misconduct or any arrangements unknown to or unauthorized by us by third parties or our employees, such as unauthorized business transactions or arrangements, bribery, improper or illegal use of our services or solutions, disputes arising from third parties’ arrangement related to our services unknown to or unauthorized by us and unauthorized access to or leakage of data, may be difficult to detect or prevent. For example, we cannot rule out the possibility that our customers may misuse our services and solutions for improper or illegal ends. These types of incidents could subject us to financial loss, legal, regulatory proceedings and disputes while seriously damaging our reputation. They may also impair our ability to effectively attract prospective suppliers or customers, develop customer loyalty, obtain financing on favorable terms and conduct other business activities. In particular, we may face

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risks with respect to fictitious or other fraudulent activities. There can be no assurance that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our customers.

Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, we may be unable to identify non-compliance or suspicious transactions promptly, or at all. Furthermore, it is not always possible to detect and prevent fraud, other misconduct or any arrangements unknown to or unauthorized by us committed by our employees, platform participants, customers or other third parties, and the precautions we take to prevent and detect such activities may not be effective. Therefore, we are subject to the risk that fraud, other misconduct or any arrangements unknown to us may have occurred but gone undetected, or may occur in the future. This may materially and adversely affect our business and reputation.

Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.

We face various risks in connection with our business and as of the Latest Practicable Date, we maintained insurance policies for our vehicles at the corporate level. We provide social security insurance as required by relevant rules and regulation in China, including general care and work-related injury insurance, for our employees. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss, or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to risks relating to our failure to complete lease registration for our leased properties.

As of the Latest Practicable Date, we leased several properties as business registration addresses. Pursuant to the applicable PRC laws and regulations, property lease agreements should be registered with the relevant local housing or urban-rural development authorities in the PRC. As of the Latest Practicable Date, lease registration was not completed with the relevant authorities for nine of our lease agreements of properties which were in use as offices and business registration addresses. The relevant government authorities may order us to complete the lease registration for such lease agreements within a prescribed period, failing which we may be subject to a fine from RMB1,000 to RMB10,000 for each non-registered lease. We cannot assure you that we will be able to complete the lease registration on a timely basis or at all in such cases, and we may be subject to penalties arising from the failure to complete the lease registration filing of lease agreements and any disputes arising from our leased properties in the future. See “Business – Properties – Leased Property” for further details.

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Any future force majeure events, natural disasters, acts of war or terrorism, the outbreak of any contagious disease, including COVID-19, or the occurrence of other incidents that are beyond our control may adversely affect our business, financial condition, and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of pandemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, H1N1 influenza, and the recent COVID-19 pandemic may materially and adversely affect our business, financial condition and results of operations. In particular, the COVID-19 pandemic has impacted, and could adversely impact, our operations and financial performance. Our customers may still need time to recover from the economic effects of the pandemic. Consequently, the COVID-19 pandemic may continue to adversely affect our business, financial condition and results of operations in the current and future years.

In addition, China has experienced natural disasters such as earthquakes, floods and droughts during the Track Record Period. Any future occurrence of natural disasters or pandemics in China may severely impact the economy in the regions affected, seriously disrupt our operations or those of our customers, and therefore materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and there can be no assurance that an [REDACTED] would develop or be sustained after the [REDACTED]. You may not be able to resell our H Shares at or above the price you pay, or at all.

Prior to this [REDACTED], there was no [REDACTED] for our H Shares. There can be no guarantee that an [REDACTED] for our H Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]), and they may differ significantly from the [REDACTED] of our H Shares following the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our financial position and/or results of operations, changes in our pricing policy, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, and announcements made by us or our competitors, could cause large and sudden changes to the volume and price at which our H Shares will [REDACTED].

In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company. These broad market fluctuations may materially and adversely affect the [REDACTED] of our H Shares.

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You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we [REDACTED] additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Future sales or [REDACTED] of sales of a substantial number of our H Shares on the [REDACTED] could adversely affect the [REDACTED] of our H Shares.

After the completion of the [REDACTED], future sales of a substantial number of our H Shares or other securities relating to our H Shares on the [REDACTED], the [REDACTED] of new Shares or other securities relating to our H Shares, or the market perception that such sales or [REDACTED] may occur, could adversely affect the [REDACTED] of our H Shares and our ability to raise future capital at a favorable time and price. We cannot predict the effect of any future sales or [REDACTED] of sales of a substantial number of our H Shares on the [REDACTED] on the market price of our H Shares.

Certain statistics and information in this document have not been independently verified and may not be reliable.

Facts, forecasts and statistics in this document relating to the data technology industry are obtained from various sources that we believe are reliable, including official government publications and third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We have taken reasonable care in the reproduction or extraction of the official government publications and other third-party reports for the purpose of disclosure in this document. However, we cannot guarantee the quality or reliability of these sources. Specifically, neither we, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] nor our or their respective affiliates or advisers have verified the facts, forecasts and statistics or ascertained the underlying assumptions relied upon in those facts, forecasts and statistics obtained from the aforementioned official government publications. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics in this document relating to the data technology industry may be inaccurate or may not be comparable to statistics produced for other markets. As such, no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources is made. Moreover, these facts, forecasts and statistics involve risk and uncertainties

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and are subject to change based on various factors. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as may be the case elsewhere.

You should read the entire document carefully and should not rely on any information contained in press, media or internet regarding us and the [REDACTED].

There may be press, media or internet coverage regarding us, the [REDACTED] or other corporate activities, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us or the [REDACTED] or certain allegation against us. We have not authorized the disclosure of any such information in the press or media or on the internet and do not accept responsibility for the accuracy or completeness thereof. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

We cannot assure you whether and when we will declare and pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRSs (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of China, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the

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transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within China unless a treaty or similar arrangement provides otherwise. Under the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not residents in China are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is unclear whether dividends we pay with respect to our H Shares, or the gains realized from the transfer of our H Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your investment in our H Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, none of our executive Directors resided in Hong Kong.

Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since all of the business operations of our Group are managed and conducted outside of Hong Kong, and all of our executive Directors ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (i) **Authorized representatives:** we have appointed Ms. Yang and Ms. Ching Shuk Wah Shirley (“**Ms. Ching**”) as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. Our Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and e-mail to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. Our Company will also inform the Stock Exchange promptly in respect of any change in our Authorized Representatives. See “Directors, Supervisors and Senior Management” for more information about our Authorized Representatives;
- (ii) **Directors:** to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail

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addresses, to the extent possible) of each of our Directors such that our Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, they will provide their phone number of the place of their accommodation to our Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in our Directors;

- (iii) **Compliance advisor:** we have appointed Rainbow Capital (HK) Limited as our compliance advisor (the “**Compliance Advisor**”) upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Pursuant to the Note to Rule 3A.23 of the Listing Rules, our Compliance Advisor will have access at all times to our Authorized Representatives, our Directors, Supervisors, senior management and other officers of our Company and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of our Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in our Compliance Advisor;
- (iv) Meetings between the Stock Exchange and the Directors could be arranged through the Authorized Representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame;
- (v) We will also appoint professional advisors (including legal advisors and accountants) after the [REDACTED], if necessary, to assist us in dealing with any questions or queries raised by our Company and to ensure that there will be efficient communication with the Stock Exchange; and
- (vi) The Compliance Advisor will also advise on the on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint an individual as our company secretary, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a Member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

We have appointed Ms. Yang as one of our joint company secretaries. She has extensive experience in corporate governance matters, information disclosure, investor relationship and secretarial affairs. However, as she presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Ms. Ching as our other joint company secretary to assist Ms. Yang in discharging the duties of a company secretary. Ms. Ching is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Ching therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Ching will be assisting Ms. Yang in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Yang will also be assisted by (i) our Compliance Advisor for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal advisor of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Ms. Yang will endeavor to attend relevant trainings and familiarize herself with the Listing Rules and duties required of a company secretary of an

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

issuer listed on the Stock Exchange. We have applied to the Stock Exchange for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Yang may be appointed as a joint company secretary of our Company.

Pursuant to the Chapter 3.10 (Directors, Supervisors and Senior Management) of the Guide, the waiver will be for a fixed period of time not exceeding three years (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. [The waiver is valid for an initial three-year period on the condition that Ms. Ching, as a joint company secretary of our Company, will work closely with and provide assistance to Ms. Yang in the discharge of her duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Ching ceases to provide assistance to Ms. Yang as the joint company secretary for the three-year period after [REDACTED].]

Our Company will further ensure that Ms. Yang has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Ms. Yang and the need for ongoing assistance of Ms. Ching will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Yang, having benefited from the assistance of Ms. Ching for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the “relevant experience” within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors, Supervisors and Senior Management” for further information regarding the background of Ms. Yang and Ms. Ching.

CONTINUING CONNECTED TRANSACTION

We have entered into, and expect to continue, a transaction that will constitute partially-exempt continuing connected transaction of our Company under the Listing Rules upon [REDACTED] as described in the section headed “Connected Transaction” of this document. Our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied for, and the Stock Exchange [has] granted to us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules once the H Shares are [REDACTED] on the Stock Exchange in respect of such partially exempt continuing connected transaction. For further details, see “Connected Transaction” in this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED
IN THE [REDACTED]**

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. ZUO Lei (左磊)	Room 1903 11/F Renheng Shuanghuwan Suzhou, Jiangsu Province PRC	Chinese
Mr. WANG Haojin (王昊今)	Room 505 Building 96 Hupan Xiandaicheng 138 Southeast Avenue Changshu High-tech Industrial Development Zone Changshu, Jiangsu Province PRC	Chinese
Mr. LIN Shan (林杉)	Room 101 Building 9, Hetian Court No. 19 Ningnan Avenue Nanjing, Jiangsu Province PRC	Chinese
Ms. YANG Yanjun (楊彥君)	Room 1401 Building 1, Rongyu Huayuan Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED
IN THE [REDACTED]**

Name	Address	Nationality
Non-executive Directors		
Mr. QIU Jianqiang (邱堅強)	Room 601 No. 11, Lane 3888 Duhui Road Minhang District Shanghai PRC	Chinese
Mr. GAO Yuan (高原)	Block 65 608, Building 111 Yuanling New Village Futian District Shenzhen, Guangdong Province PRC	Chinese
Independent non-executive Directors		
Mr. HUANG Xuexian (黃學賢)	9-404, Fuyuan Community No. 36 Zhuhui Road Suzhou, Jiangsu Province PRC	Chinese
Mr. CHEN Xinhe (陳新河)	3-2-12B05, Yuanyang Shanshui Shijingshan District Beijing PRC	Chinese
Mr. LI Shun Fai (李淳暉)	Flat D, 27/F Loong Shan Mansion Kao Shan Terrace No. 21 Taikoo Shing Road Hong Kong	Chinese

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED
IN THE [REDACTED]**

SUPERVISORS

Name	Address	Nationality
Mr. GAO Qi (高奇)	Room 1603, Unit 1 Building 5, Boyunting No. 33 Chaoyang Road, Xietang Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese
Mr. YU Gang (余鋼)	Room 1602 Building 10, Gelin Huayuan No. 203 Tayuan Road Gaoxin District Suzhou, Jiangsu Province PRC	Chinese
Ms. REN Yuan (任園)	No. 606 Building A15 Huaqing Jiayuan Community Haidian District Beijing PRC	Chinese

For the biographies and other relevant information of the Directors and Supervisors, see “Directors, Supervisors and Senior Management”.

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED
IN THE [REDACTED]**

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

Legal Advisors to the Company

As to Hong Kong laws:
King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

As to PRC laws:
King & Wood Mallesons
17/F, One ICC
Shanghai ICC
999 Huaihai Middle Road
Shanghai
PRC

**Legal Advisors to the Sole Sponsor and
the [REDACTED]**

As to Hong Kong laws:
Allen & Overy
9/F, Three Exchange Square
Central
Hong Kong

As to PRC laws:
Grandall Law Firm (Shanghai)
27/F, Reception Center, Garden Square
No. 968 West Beijing Road, Jing'an District
Shanghai
PRC

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED
IN THE [REDACTED]**

Reporting Accountant and Auditor

BDO Limited

*Certified Public Accountants and
Registered Public Interest Entity Auditor*
25/F, Wing On Centre
111 Connaught Road
Central
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**

Room 2504-2505, Wheelock Square
1717 West Nanjing Road
Jing'an District
Shanghai 200041
PRC

Compliance Advisor

Rainbow Capital (HK) Limited

Office No. 710, 7/F
Wing On House
No. 71 Des Voeux Road Central
Central
Hong Kong

[REDACTED]

Property Valuer

Ravia Global Appraisal Advisory Limited

17/F, 83 Wan Chai Road
Wan Chai
Hong Kong

IT Consultant

**BDO China Shu Lun Pan Certified Public
Accountants LLP**

4th Floor
No. 61, Nanjing East Road
Huangpu District
Shanghai
PRC

CORPORATE INFORMATION

Registered Office	16/F No. 9 Rongfu Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC
Headquarters and Principal Place of Business in China	16/F No. 9 Rongfu Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC
Principal Place of Business in Hong Kong	40/F Dah Sing Financial Centre 248 Queen’s Road East Wanchai Hong Kong
Company’s Website	www.juhe.cn <i>(This website and the information contained on this website do not form part of this document)</i>
Joint Company Secretaries	Ms. Yang Yanjun (楊彥君) Room 1401 Building 1, Rongyu Huayuan Suzhou Industrial Park Suzhou, Jiangsu Province PRC Ms. Ching Shuk Wah Shirley (程淑華) <i>(an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> 40/F, Dah Sing Financial Centre 248 Queen’s Road East Wanchai Hong Kong
Authorized Representatives	Ms. Yang Yanjun (楊彥君) Room 1401 Building 1, Rongyu Huayuan Suzhou Industrial Park Suzhou, Jiangsu Province PRC

CORPORATE INFORMATION

	<p>Ms. Ching Shuk Wah Shirley (程淑華) 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong</p>
Audit Committee	<p>Mr. Li Shun Fai (李淳暉) (<i>chairperson</i>) Mr. Chen Xinhe (陳新河) Mr. Qiu Jianqiang (邱堅強)</p>
Nomination Committee	<p>Mr. Chen Xinhe (陳新河) (<i>chairperson</i>) Mr. Lin Shan (林杉) Mr. Li Shun Fai (李淳暉)</p>
Remuneration and Assessment Committee	<p>Mr. Huang Xuexian (黃學賢) (<i>chairperson</i>) Ms. Yang Yanjun (楊彥君) Mr. Chen Xinhe (陳新河)</p>

[REDACTED]

Principal Banks	<p>Bank of Communications, Suzhou Science and Technology Sub-branch North Building Hanlin Building, Neighborhood Center No. 598, Linqun Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC</p> <p>Agricultural Bank of China Limited, China (Jiangsu) Pilot Free Trade Zone Suzhou Moon Bay International Business Center No. 9 Cuiwei Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC</p>
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INDUSTRY OVERVIEW

The information contained in this section, unless otherwise indicated, has been derived from various official government publications and other publications and the market research report prepared by Frost & Sullivan which we commissioned. We have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. None of our Company, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], or any of their respective directors, officers or representatives or any other parties involved in the [REDACTED], except for Frost & Sullivan, has independently verified the information in the various official government publications nor give any representation as to the accuracy or completeness of such information.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of and to prepare a report on the API-enabled service market, the API-enabled data exchange service market, and the data management solution market in China. The report prepared by Frost & Sullivan for us is referred to in this document as the F&S Report. We agreed to pay Frost & Sullivan a fee of RMB400,000, which we believe reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has nearly 50 offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan's services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

We have included certain information from the F&S Report in this document because we believe this information facilitates an understanding of the digital economy, API-enabled service market, the API-enabled data exchange service market, and the data management solution market in China for prospective investors. Frost & Sullivan's independent research consists of both primary and secondary research obtained from various sources. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report, various official government publications and other publications. In compiling and preparing the research, Frost & Sullivan assumed that the social, economic and political environments in the relevant markets are likely to remain stable in the forecast period.

INDUSTRY OVERVIEW

The Directors confirm that, to the best of their knowledge and belief, there has been no material adverse change in the market information since the date of the Frost & Sullivan Report which may materially qualify, contradict or impact the information of this section.

OVERVIEW OF THE DIGITAL ECONOMY IN CHINA

Development of the Digital Economy in China

The digital economy integrates digital technology and the real economy, and includes digital knowledge and information as key factors of production, digital technology as the core driving force, and modern digital network as an important information platform.

The development of China’s digital economy is characterized by the following:

- ***Momentum for economic growth.*** The size of the digital economy reached RMB50.2 trillion in 2022 with a year-on-year growth of 10.3%, providing momentum for the overall economy as government and corporate organizations at all stages of development underwent digital transformation.
- ***Demand for external technology services.*** Government and corporate organizations have demand for external technology services as they procure and utilize commercially tested technology services, including API technology, to link with external data sources or services to reduce cost and maximize efficiency.
- ***Favorable government policies.*** In recent years, the PRC government has introduced favorable policies and industry standards that propose to accelerate the development of digital economy through closer integration of digital economy and the real economy to form a globally competitive digital cluster, driving modernization and growth of China’s economy.
- ***Demand for high concurrency.*** Demand for high concurrency has risen significantly as high concurrency is essential for allowing a large number of customers to use services simultaneously without encountering any unexpected issues. High concurrency is a particularly important feature in systems for government organizations and corporate organizations in the internet and financial service industries.

The following pain points have also arisen during the development of China’s digital economy: (i) differences in database architectures result in data silos, which are collections of data held by one group that are not easily or fully accessible to other groups. Data silos prevent full access to and utilization of data assets, thus hampering the development of the digital economy; (ii) stakeholders are increasingly concerned about data security and privacy, especially data leakage, data misuse and cross-border data transmission; and (iii) industry standards have yet to be further optimized for certain aspects of the digital economy, such as the determination of ownership and pricing of data.

INDUSTRY OVERVIEW

In the digital economy, all government and corporate organizations as well as individuals generate data and, therefore, participate as data providers. Data exchange and data management service providers collect, cleanse, process, analyze and share data through API and other technologies, such as big data technology and blockchain technology, to unlock the economic value of data and make data available to other participants. API is a set of rules and protocols that allow data to be exchanged from systems to systems, acting as an intermediary among systems. Big data technology is adopted to collect, cleanse, process, and derive insights from vast amount of different types of structured, semi-structured and unstructured data from different data sources. Blockchain is a distributed and immutable ledger that facilitates a secure processing of information transmitted in a network. As a result of the nationwide participation of enterprises and individuals, China’s digital economy experienced steady growth at a CAGR of 12.5% from 2018 to 2022. In 2022, China’s digital economy reached RMB50.2 trillion, representing approximately 41.5% of GDP compared to approximately 34.0% in 2018. In comparison with the United States’ digital economy, which reached approximately US\$17.0 trillion in 2022, representing over 65.0% of the total U.S. GDP, China’s digital economy still has strong growth potential. China’s digital economy is expected to reach RMB82.0 trillion in 2027 at a CAGR of 10.3% from 2022 to 2027, representing approximately 49.6% of China’s expected total GDP in 2027. In 2022, the value of the digital economy enabled by API technology accounted for approximately 9% of the total digital economy.

The table below provides the actual and estimated size of China’s digital economy from 2018 to 2027:



INDUSTRY OVERVIEW

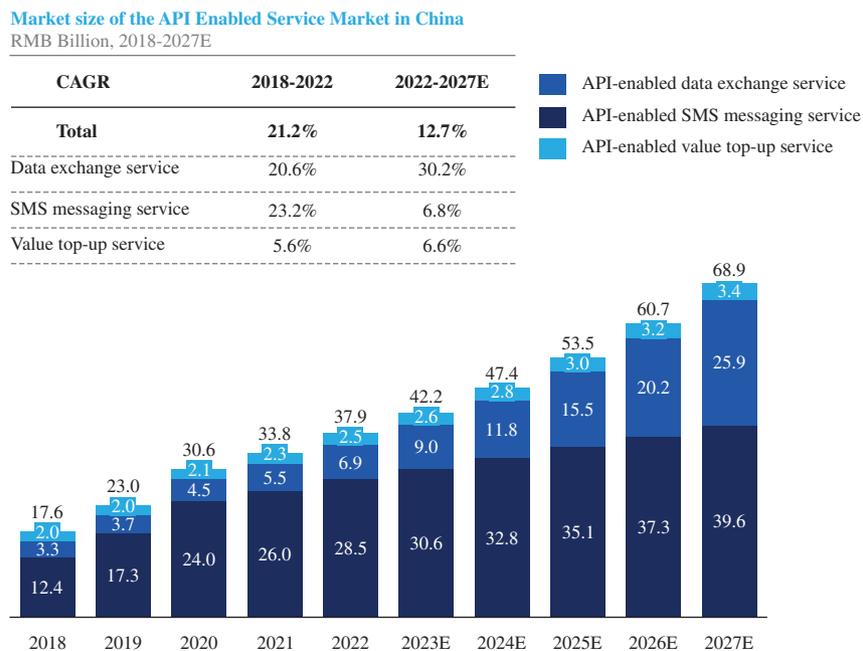
OVERVIEW OF THE API-ENABLED SERVICE MARKET IN CHINA

Development of the API-Enabled Service Market in China

API-enabled services utilize API technology to provide services that enable optimization and standardization of data interactions across different organizations, including: (i) API-enabled data exchange service; (ii) API-enabled SMS messaging; and (iii) API-enabled value top-up service. Juche Data is involved in all three of the aforementioned services.

The API-enabled service market grew from RMB17.6 billion in 2018 to RMB37.9 billion in 2022 at a CAGR of 21.2%. API-enabled SMS messaging service, which refers to the provision of text messaging services to allow government or corporate organizations to easily engage target audiences for various service types such as sending verification codes and resetting passwords, remained the largest market segment at RMB28.5 billion in 2022. API-enabled data exchange service, which refers to the provision of a centralized data exchange platform or marketplace to enable authorized organizations to easily search for, locate and retrieve third-party authorized data on various subjects, such as identity authentication, weather forecasts, news, and IP address inspections, was the second largest market segment with a size of RMB6.9 billion in 2022. API-enabled value top-up service, which refers to the provision of interfaces for enterprises to conduct sales and delivery of virtual goods and services, such as phone credits, leisure and entertainment virtual goods, and utility payments, reached a market size of RMB2.5 billion in 2022. The API-enabled service market is expected to reach RMB68.9 billion in 2027, growing at a CAGR of 12.7% from 2022 to 2027, of which the API-enabled data exchange service segment is expected to reach RMB25.9 billion by 2027.

The table below shows the actual and estimated size of China’s API-enabled service market from 2018 to 2027:



INDUSTRY OVERVIEW

Competitive Landscape of the API Enabled Service Market in China

In 2022, Juhe Data had a market share of less than 1% in China’s API-enabled service market as measured by revenue.

The table below sets forth the ranking of integrated API-enabled service providers in China by revenue and market share:

Ranking of API Enabled Service Providers in China, by Revenue			
Ranking	Company	Revenue (RMB Billion, 2022)	Market Share (%, 2022)
1	Company A	3.3	8.7%
2	Company B	2.0	5.2%
3	Company C	1.2	3.2%
4	Company D	0.5	1.4%
5	Company E	0.3	1.0%

- (1). Company A is an enterprise cloud communication service provider in China that was founded in Shenzhen in 2001 and is listed on the Shenzhen Stock Exchange with a registered capital of RMB200 million and over 1,000 employees as of December 31, 2022.
- (2). Company B is an enterprise mobile information solution provider that was founded in Beijing in 2007 with a registered capital of RMB100 million.
- (3). Company C is an enterprise mobile information solution provider that was founded in Wuxi in 2012 and is listed on the Shenzhen Stock Exchange with a registered capital of RMB80 million.
- (4). Company D is an enterprise mobile information solution provider that was founded in Beijing in 2001 with a registered capital of RMB200 million.
- (5). Company E is a leading third-party virtual goods and services platform operator in China that was founded in Wuhan in 2009 and is now listed on the Hong Kong Stock Exchange with a registered capital of RMB20 million and less than 1,000 employees as of December 31, 2022.

OVERVIEW OF THE API-ENABLED DATA EXCHANGE SERVICE MARKET IN CHINA

Development of the API-Enabled Data Exchange Service Market in China

There are two types of participants in the API-enabled data exchange service market in China: (i) integrated API-enabled data exchange service providers; and (ii) industry-specific API-enabled data exchange service providers. Integrated API-enabled data exchange service providers provide comprehensive API-enabled data exchange services with a wide spectrum of data source and supply, such as “three-factor” authentication, transportation, weather, and others. Industry-specific API-enabled data exchange service providers focus on providing API-enabled data exchange service with specific types of data such as corporate registration information. The API-enabled data exchange service market grew at a CAGR of 20.6% from RMB3.3 billion in 2018 to RMB6.9 billion in 2022, of which the integrated API-enabled data exchange service segment accounted for RMB2.37 billion in 2022, representing a CAGR of

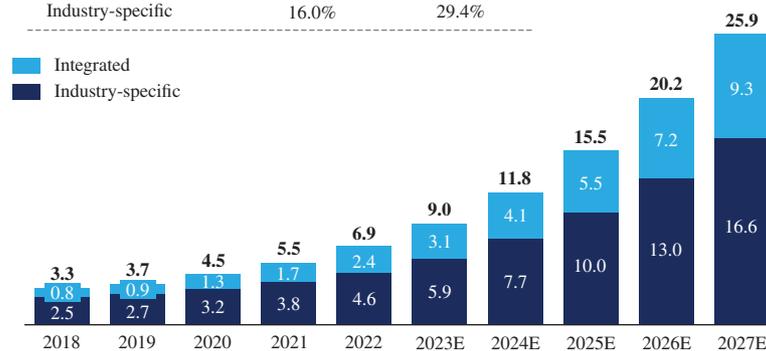
INDUSTRY OVERVIEW

33.2% from 2018 to 2022. The market size of the industry-specific API-enabled data exchange service segment was RMB4.57 billion in 2022. The API-enabled data exchange service market is expected to reach RMB25.9 billion in 2027, representing a CAGR of 30.2% from 2022 to 2027, of which the integrated API-enabled data exchange service segment is expected to reach RMB9.3 billion in 2027, representing a CAGR of 31.5% from 2022 to 2027. The rapid market growth reflects strong demand for API-enabled data services from government and corporate organizations as they continue undergoing digital transformation to improve cost control and optimize efficiency.

The table below shows the actual and estimated size of China’s API-enabled data exchange service market from 2018 to 2027:

Market size of the API-enabled Data Exchange Service Market in China
RMB Billion, 2018-2027E

CAGR	2018-2022	2022-2027E
Total	20.6%	30.2%
Integrated	33.1%	31.6%
Industry-specific	16.0%	29.4%



Drivers of the API-Enabled Data Exchange Service Market in China

Increased significance of data in China’s economic development plan

The PRC government has placed strong emphasis on data in China’s economic development plan by introducing a series of favorable policies. In 2020, the PRC government named data as a new factor of production in the Opinions of the CPC Central Committee and the State Council on Improving the Systems and Mechanisms for Market-based Allocation of Factors of Production (中共中央、國務院關於構建更加完善的要素市場化配置體制機制的意見), and proposed to accelerate the development of data market by promoting sharing of public institution data, increasing the value of market-oriented data, strengthening integration of data as a resource and improving data security. The proposal was followed by a series of favorable policies in the following years. The PRC government also launched data exchanges to promote exchange-based data sharing in China. Between 2014 and 2020, 30 state-owned data exchanges were established. As the PRC government placed increasing emphasis on developing China’s digital economy, state-owned data exchanges saw another spike in number. Since 2020, 22 data exchanges have been established, including Shanghai Data Exchange (上海數據交易所), Beijing International Data Exchange (北京國際大數據交易所), and Shenzhen Data Exchange

INDUSTRY OVERVIEW

(深圳數據交易所). On March 7, 2023, the State Council announced its plan to establish the National Data Bureau (國家數據局), which will be responsible for advancing the development of data-related institutions and coordinating the integration, sharing, development and application of data resources. Strong government support has helped to create a favorable environment for the development of China’s overall digital economy and, by extension, the API-enabled data exchange service market.

Development of state-owned data exchanges

A state-owned data exchange refers to a centralized data exchange that is established with government participation and operated primarily by corporate enterprises with the goal to promote the exchange of data through an exchange-based system. Government organizations, state-owned enterprises, and corporate enterprises all invest in a state-owned data exchange at its inception. The government generally provides guidance on the strategic development plans of state-owned data exchanges, while corporate enterprises provide services and solutions to aid the operations of the data exchanges, including the establishment of data exchange platforms that connect upstream data service suppliers and downstream data requesters.

Expansion of access to public institution data

The PRC government has made more public institution data available to the general public in recent years. Public institution data is defined as data generated by public institutions and state-owned enterprises in the course of performing public services or duties. The listing and exchanging of more public institution data are expected to drive the growth of the state-owned data exchange market. As the exchange-based data exchange system develops and more public institution data becomes accessible to the general public, the total addressable market of state-owned data exchange reached RMB60.0 billion in 2022, and is expected to reach RMB327.5 billion in 2027.

Safer data exchange environment supported by innovative technologies

Innovative technologies such as privacy-preserving computation and blockchain help to prevent data leakage and misuse, providing a safer data exchange environment that further promotes the growth of the data exchange market. Privacy-preserving computation provides stronger data protection through technologies such as federated learning, secure multi-party computation, homomorphic encryption, and zero-knowledge proof. It allows data to be shared freely and without disruption while ensuring that data with verified ownership would be properly used in multi-party modeling scenarios. Blockchain technologies offer decentralization and other high-security features and can be used to write a digital digest that reflects the ownership of data used in privacy-preserving computation. Empowered by the development of innovative privacy-preserving computation technologies, the API-enabled data exchange service market is expected to continue growing steadily.

INDUSTRY OVERVIEW

Competitive Landscape of the Integrated API-Enabled Data Exchange Service Market in China

Integrated API-enabled data exchange service providers are important participants in the API-enabled data exchange service market as they provide customers with comprehensive services in a wide variety of scenarios across different industries. In 2022, Juhe Data had a market share of 6.1% in the integrated API-enabled data exchange service market in China as measured by revenue. For the same year, Juhe Data had a market share of 2.1% in the overall API enabled data exchange service market as measured by revenue. Integrated API-enabled data exchange service providers enjoy competitive advantages of having extensive and diversified data sources and service coverage across different industries. Industry-specific API-enabled data exchange service providers are not expected to have material negative impact on Juhe Data’s ability to compete for customer demand because Juhe Data could continually cooperate with different data sources to expand its products and services. Juhe Data is expected to further leverage its leading position in the market to expand its business scale through cooperating with different data sources and participating in the establishment and operation of state-owned data exchanges.

The table below sets forth the ranking of integrated API-enabled data exchange service providers in China by revenue and market share:

Ranking	Company	Revenue (RMB Million, 2022)	Market Share (%, 2022)
1	Juhe Data	145	6.1%
2	Company F ⁽¹⁾	126	5.3%
3	Company G ⁽²⁾	80	3.4%
4	Company H ⁽³⁾	65	2.7%
5	Company I ⁽⁴⁾	60	2.5%

- (1). Company F is a leading public AI company listed on both the Stock Exchange and NASDAQ. It was founded in 2000 with a search engine business enabling web browsing. It has invested in AI since 2010. Company A had approximately 42,000 employees as of the December 31, 2022.
- (2). Company G is a Chinese multinational technology company listed on the Stock Exchange and the New York Stock Exchange. It was founded in 1999 as an e-commerce platform. Its current business includes e-commerce, cloud computing, digital media and entertainment and other innovation initiatives. Company B had approximately 229,000 employees as of June 30, 2023.
- (3). Company H is an API-enabled data exchange company that specializes in providing an API-enabled data exchange platform. It was founded in 2016 and is based in Guiyang, Guizhou province, China with a registered capital of RMB13.5 million. Company C has invested and participated in the operation of the Jiangsu Big Data Exchange.
- (4). Company I is an API-enabled data exchange company that specializes in providing an API-enabled data exchange platform. It was founded in 2016 and is based in Hangzhou, Zhejiang province, China with a registered capital of RMB10 million and had fewer than 100 employees by the December 31, 2022.

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Entry Barriers to the API-Enabled Data Exchange Service Market in China

- **Extensive data sources.** Well-established service providers have already accumulated extensive data sources across different industries and scenarios. New entrants may face difficulties in accumulating such extensive sources within a short time to compete against existing players. In most cases, data-exchange service providers do not enjoy exclusive relationships with data supply sources. In selecting their customers, data supply sources consider the following important factors: (i) the number of data sources which an API-enabled data exchange service provider can provide; (ii) the respective data security and privacy policies of the data exchange service provider; and (iii) the availability of protocols and reliability of technologies.
- **Established industry reputation.** Customers frequently choose to work with reputable market players with proven technology and service capabilities. Without an established reputation, new entrants may find it challenging to attract customers.
- **Strong technology capabilities.** Service providers must continuously maintain, optimize and upgrade their technologies as unexpected incidents may adversely affect customers’ businesses and lead to customer distrust. New entrants may not be able to match the technology capabilities of existing players due to lack of experience and expertise.

Future Trends of the API-Enabled Data Exchange Service Market in China

Data opening initiatives and increased data application scenarios are expected to further promote data exchange

In several recent policies, the PRC government has addressed data opening initiatives, which grant public access to non-sensitive data. For example, the General Plan for the Pilot Program of the Comprehensive Reform of the Market-based Allocation of Factors of Production (要素市場化配置綜合改革試點總體方案) proposed to form a sound and effective mechanism to share public institution data, to build a data platform for public institution data, and to prioritize public access to high value data of regulation on corporate registration, public health, transportation and weather, among others. Such initiatives are expected to promote data exchange.

In addition, application scenarios for data are expected to increase, further advancing the growth of the API-enabled data exchange service market. The Opinions of the CPC Central Committee and the State Council on Improving the Systems and Mechanisms for Market-based Allocation of Factors of Production (關於構建更加完善的要素市場化配置體制機制的意見), published in March 2020, proposed to standardize data application scenarios in agriculture, manufacturing, transportation, education, urban management, public resource trading in order to increase the value of market-oriented data. As a growing number of scenarios require data application, the demand for data is expected to continue rising.

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Government policies are expected to create clearer industry standards and elevate entry barriers

Relevant policies are expected to provide clearer industry standards for API-enabled data exchange services. With the introduction of additional government policies, regulations and standards, the API-enabled data exchange service market is expected to further mature, resulting in additional entry barriers. In particular, with the growing emphasis on protecting data security and privacy while facilitating data exchange, existing service providers are expected to be equipped with more advanced security and privacy-preserving technologies. Examples of such policies include: (i) the Opinions of the CPC Central Committee and the State Council on Building a Fundamental Data System to Better Leverage the Role of Data Elements (關於構建數據基礎制度更好發揮數據要素作用的意見), published in December 2022, which proposed establishing a credible data exchange system to enhance the availability, credibility, exchangeable attributes and traceability of data with an improved governance system developed in a safe manner; and (ii) the General Plan for the Pilot Program of the Comprehensive Reform of the Market-based Allocation of Factors of Production (要素市場化配置綜合改革試點總體方案), which also proposed the improvement of data sharing mechanisms.

Integration of API interfaces on a centralized management platform

As APIs become the backbone of communication among corporate organizations, demand for the integration of different API interfaces on a centralized management platform is expected to increase, which better enables enterprises to easily and efficiently manage and track the performance of API interfaces from different business functions simultaneously.

Diversified product offerings as a new growth engine

Leading service providers are enriching and further diversifying available data within the same industry or across different industries, and are expected to extend services along the API-technology value chain to provide other API-related services, such as API management and API testing, creating additional cross-selling and upselling opportunities. In the near future, increasingly diversified product offerings are expected to drive market growth and expand the business operations of market participants.

OVERVIEW OF THE DATA MANAGEMENT SOLUTION MARKET IN CHINA

Development of the Data Management Solution Market in China

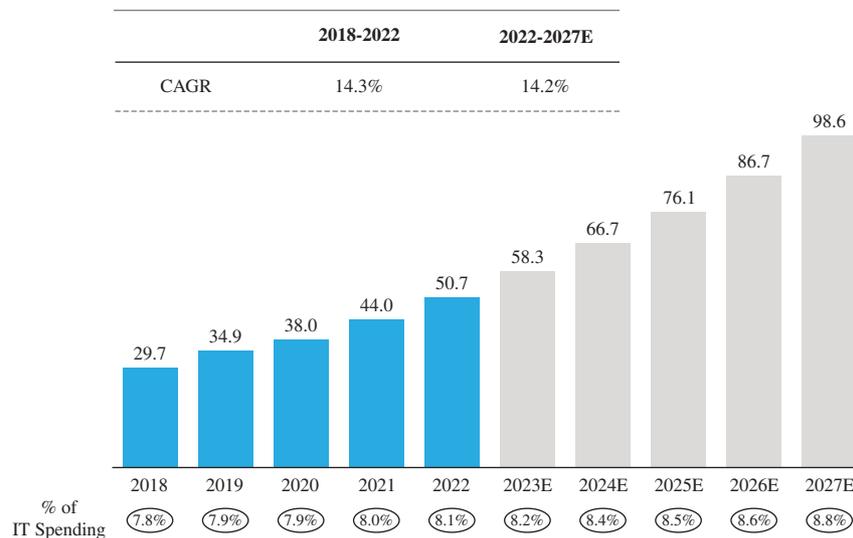
Data management solution refers to the provision of comprehensive solutions that help government and corporate organizations collect, cleanse and analyze data accumulated throughout the data lifecycle, converting data assets into forms that can be easily used by different business departments. Data management solution includes the provision of software used to manage data assets and services including implementation, consultation, and maintenance provided by data management solution providers to end-users. In general, data

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management solutions include the following three key steps: (i) data collection and integration, which is the process of collecting and integrating multi-source heterogeneous data on a centralized platform by extracting data from external and internal sources using API technology; (ii) data cleansing and processing, which is the process of removing repetitive or invalid data before transforming it into a unified and standardized format that can be more easily processed and analyzed, followed by the repair of damaged data to ensure greater analytical accuracy; and (iii) data analytics and visualization, which is the process of identifying patterns and providing analyses on vast amounts of data through visual presentations.

The data management solution market in China grew from RMB29.7 billion in 2018 to RMB50.7 billion in 2022 at a CAGR of 14.3%. The data management solution market is expected to reach RMB98.6 billion in 2027, representing a CAGR of 14.2% from 2022 to 2027.

Set forth below is a table showing the actual and estimated size of China’s data management solution market from 2018 to 2027, calculated based on the revenue generated from providing data software and data services in China:



(1) IT spending here excludes spending on hardware and network services.

Competitive Landscape of the Data Management Solution Market in China

Juhe Data’s data management solutions compete in the data management solution market against other market participants’ solutions. In 2022, Juhe Data enjoyed a market share of 0.2% in the data management solution market in China, as measured by revenue. There were over two thousand market players in the data management solution market with the top five players accounting for approximately 20% of market share in 2022.

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There are three types of participants in this market: traditional IT infrastructure providers, internet giant-affiliated service providers and data management service providers. Traditional IT infrastructure providers are those who provide hardware such as storages, servers, network infrastructure products, and others used in IT solutions, and software is usually packed in integrated solutions for customers. Their competitive advantages are that they are experienced in providing hardware products to enterprises including SOEs in the financial service industry, telecommunications industry as well as public institutions, and have gradually expanded to providing data management solutions. Internet giant-affiliated service providers are those that provide cloud-centric service including cloud-based software, cloud-based platforms, and cloud-based infrastructure across wide categories of services such as big data and AI, IoT, DevOps, security solutions and others. Their competitive advantages are that they enjoy a strong reputation in providing data management services including cloud-based data application services, and are strong in providing data management services and digital transformation services to varied types of enterprises and public institutions depending on each provider. Data management service providers are those who are specialized in providing data management service with specialties in certain industries as well as certain modularized functions. Their competitive advantages are that they are specialized in providing service to public institutions and enterprises in certain industries and occasionally serve as subcontractors to internet giant-affiliated service providers. Juhe Data is a data management service provider. Even though the competition in data management solution market is fierce, Juhe Data is expected to continue to satisfy customers’ demand in data management solutions with its specialties in API technology and compete with existing top players or cooperate with them in certain large data management projects.

Entry Barriers to the Data Management Solution Market in China

- ***Established industry reputation.*** Established service providers have accumulated extensive project experience across different industries and built strong market reputation. Leading players also participate in establishing industry standards. Without an established reputation and lacking experience, new entrants typically find it difficult to compete with existing players in the short term.
- ***Strong technology capabilities.*** To remain competitive in the market, existing players typically invest heavily in technological research and development. New entrants may find it hard to match the technological capabilities of well-seasoned players within a short time.
- ***Strong capabilities to integrate resources.*** Developing data management solutions requires a substantial commitment of labor, time and various resources. Existing players typically have stronger capabilities to obtain and integrate different resources due to their experience, larger scale of business and established commercial relationships, which new entrants lack.

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- ***Extensive sales channels.*** Existing players typically have extensive sales channels and well-established customer bases, while new entrants may find it challenging to build similarly extensive sales channels or commercial relationships in the short term.

Drivers of the Data Management Solution Market in China

Demand for data management solutions from government and corporate organizations

In order to accelerate their digital transformation, government and corporate organizations have demand for four types of data management solutions, including: (i) extracting external data onto internal centralized data platforms; (ii) internally sharing data across different business units and departments; (iii) externally sharing data with authorized organizations; and (iv) commercializing data platforms as services accessible by others. Government and corporate organizations have demand primarily for the first two services.

Supply of innovative digital infrastructure driven by the increasing volume and complexity of data

Due to the digital transformation of government and corporate organizations throughout China, the volume and complexity of data from mobile devices and various IoT devices have increased significantly. There exist many pain points such as data silos, idle resources and high operational and maintenance costs under the traditional IT architecture and data management systems. These developments have led to the supply of more advanced digital infrastructure, including 5G and IoT networks, cloud computing and large-scale data centers, which enable more efficient real-time data transmission, processing and storage and help optimize data management efficiency.

Favorable government policies

Policies introduced in recent years have provided a more positive environment for the development of China’s digital economy and data management solution market. Key favorable policies include the Guidance of the State Council on Strengthening the Construction of Digital Government (國務院關於加強數字政府建設的指導意見), the 14th Five-Year Plan for the Development of the Digital Economy (“十四五”數字經濟發展規劃), and the 14th Five-Year Plan for the Development of the Big Data Industry (“十四五”大數據產業發展規劃).

Entry Barriers to the Data Management Solution Market in China

- ***Established industry reputation.*** Established service providers have accumulated extensive project experience across different industries and built strong market reputation. Leading players also participate in establishing industry standards. Without an established reputation and extensive experience, new entrants typically find it difficult to compete with existing players in the short term.

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- ***Strong technological capabilities.*** To remain competitive in the market, existing players typically invest heavily in technological research and development. New entrants may find it hard to match the technological capabilities of experienced players within a short time.
- ***Strong capabilities to integrate resources.*** Developing data management solutions requires a substantial commitment of labor, time and various resources. Existing players typically have stronger capabilities to obtain and integrate different resources due to their experience, larger scale of business and established commercial relationships, which new entrants generally lack.
- ***Extensive sales channels.*** Existing players typically have extensive sales channels and well-established customer base, while new entrants may find it challenging to build similarly extensive sales channels or commercial relationships in the short term.

Future Trends of the Data Management Solution Market in China

Further expansion of vertical service capabilities for different industries and service types

Data management solution providers are expected to continue enhancing their service offerings and expanding their service capabilities. For government organizations, data management solutions are expected to help them effectively integrate different data on a centralized platform, breaking down barriers arising from heterogeneous data and promoting efficiency in governance. For corporate organizations, service providers are expected to continue leveraging technologies such as RPA, blockchain, and federated learning to tailor their solutions to the needs of individual customers, helping corporations increase efficiency and enabling them to make better-informed decisions based on data analysis. Data management solution providers are also expected to expand their service offering to cover an increasing number of industries and service types, including the digital transformation of SOEs and industrial enterprises. The enhanced solutions are expected to attract more customers, in turn accelerating the nationwide digital transformation of government and corporate enterprises, and driving the growth of the data management solution market.

Continued emphasis on data management in the development of China’s digital economy

The PRC government is expected to continue fostering the expansion of China’s digital economy through favorable policies in the next five-year plan. Government and corporate organizations are expected to continue utilizing data management solutions to facilitate their digital transformation, driving the expansion of the overall digital economy and the data management solution market.

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Technological advancement is expected to improve the efficiency of data management

Data management is expected to become more efficient as a result of advancement in technologies using artificial intelligence, RPA, and blockchain among others, to automatically identify and verify data rules and discover relationship between data in a more visualized way, improving the efficiency of data management.

Adoption of low-code data management tools is expected to lower data application threshold

Low-code data management tools allow government and corporate organizations to utilize data management platforms more easily, as they enable customers to quickly and intuitively complete configuration of applications through modularized ways. The use of such tools is becoming a trend in the market and is expected to encourage organizations to increase their use of data management solutions.

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This section sets out summaries of certain aspects of PRC laws and regulations, which are relevant to our business operations.

REGULATIONS RELATED TO INTERNET SECURITY AND PRIVACY PROTECTION

Regulations on Internet Security

As certain of our services are internet-based, the following laws and regulations affect our businesses.

The Decision in Relation to Protection of Internet Security (《關於維護互聯網安全的決定》) enacted by SCNPC on December 28, 2000 and amended on August 27, 2009, provides that, among other things, the following activities conducted through the internet, if constituting a criminal act under the PRC laws, are subject to criminal punishment: (i) hacking into a computer or system relating to state affairs, national defense or cutting-edge science and technology; (ii) intentionally inventing and spreading destructive programs such as computer viruses to attack the computer system and the communications network, thus damaging the computer system and the communications networks; (iii) violating State regulations, discontinuing the computer network or the communications service without authorization; (iv) leaking state secrets; (v) Using the internet to market fake and substandard products or to carry out false publicity for any commodity or service; or (vi) infringing intellectual property rights through the internet.

The Provisions on Technological Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), promulgated on December 13, 2005 and came into effect on March 1, 2006 by the Ministry of Public Security require internet service providers and organizations that use interconnection to implement and guarantee the functioning of technical measures for internet security protection, like technical measures for preventing any matter or act that may endanger network security, e.g., computer viruses, invasion or attacks to or destruction of the network, require all internet access service providers to take measures to keep a record of and preserve user registration information.

According to the Regulations of the People's Republic of China on the Security Protection of Computer Information System (《中華人民共和國計算機信息系統安全保護條例》), which were issued by the State Council on February 18, 1994 and amended on January 8, 2011, securing computer information systems includes safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems. According to the Administrative Measures on Security Protection of Computer Information Networks Linked to the Internet (《計算機信息網絡國際聯網安全保護管理辦法》), which were issued by the State Council on December 16, 1997 and amended on January 8, 2011, no entity or individual will be permitted to make use of international internet connections to harm national security, disclose State secrets, infringe on the national, social or collective interests or the legal rights and interests of citizens, or engage in other illegal or criminal activities. If relevant entities

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violate any provisions of the measures, such entities may be subject to penalties such as rectification within a specified period, warnings, confiscation of illegal gains, cancellation of operating license or interconnection qualifications.

On June 22, 2007, the Ministry of Public Security, National Administration of State Secrets Protection, State Council Information Office (subsequently abolished) and State Cryptography Administration issued the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which regulate that the security protection of an information system may be graded into five. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the level of city divided into districts or above. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the level of municipality divided into districts or above.

Pursuant to the State Security Law of the PRC (《中華人民共和國國家安全法》), which was promulgated by the SCNPC on February 22, 1993 and last amended on July 1, 2015, the State shall develop network and information security assurance system, enhance network and information security assurance capabilities, strengthen innovative research and development and application of network and information technologies and realize the security and controllability of network and information core technologies, critical infrastructure and information systems and data in key areas; the State shall also enhance network management, prevent, deter and punish network criminal acts such as cyber-attacks, network intrusion, network theft and illegal spread of harmful information in order to safeguard the sovereignty, security and development interests of the state cyberspace.

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, network operators, who are broadly defined as owners and administrators of networks and network service providers, shall comply with laws and regulations and fulfill their obligations to ensure the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality, and availability of network data. Network operators shall not collect personal information unrelated to the services they provide, and shall not collect or use personal information in violation of the provisions of laws and administrative regulations or in violation of the agreements between both parties.

Pursuant to the Cyber Security Review Measures (2021) (《網絡安全審查辦法(2021)》) promulgated by the CAC, MIIT and certain authorities on December 28, 2021 and became effective on February 15, 2022, operators of critical information infrastructure purchasing network products and services, and online platform operators carrying out data processing

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activities that affect or may affect national security, shall conduct cyber security review. For any procurement activity which a cyber security review is applied for, an operator of critical information infrastructure shall require, through the procurement document, agreement or otherwise, the provider of the product or service procured to cooperate with the cyber security review, including undertaking, among others, not to take advantage of the provision of the product or service to illegally acquire user data or illegally control or operate user equipment, and not to interrupt the supply of the product or any necessary technical support service without good cause. In addition, an online platform operator who holds and controls more than one million users’ personal information must report to the cyber security review office for a cyber security review if it intends to be listed abroad. According to the Cybersecurity Review Measures, there are two mechanisms to trigger the cybersecurity review: (i) the review of voluntary declaration by enterprises: (a) critical information infrastructure operators that intend to purchase network products and services; (b) a network platform operator that possesses the personal information of more than one million people that intends to be listed overseas (國外上市); and (ii) initiation of review by regulatory authorities: if any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security. In such case, the Office of Cybersecurity Review shall report this circumstance to the Central Cyberspace Affairs Commission for approval, and conduct a review after approval.

Pursuant to Article 10 of the Cybersecurity Review Measures, the following factors for assessing national cybersecurity shall be taken into account: (a) risks of illegal control, interference or destruction of critical information infrastructure brought about by the use of products and services; (b) the harm caused by supply interruption of products and services to the business continuity of critical information infrastructure; (c) security, openness, transparency and diversity of sources of products and services, reliability of supply channels, and risks of supply interruption due to political, diplomatic, trade or other factors; (d) compliance with Chinese laws, administrative regulations and departmental rules by product and service providers; (e) risks of theft, disclosure, damage, illegal use or cross-border transfer of core data, important data or large amounts of personal information; (f) risks of influence, control or malicious use of critical information infrastructure, core data, important data or large amounts of personal information by foreign governments after listing, and risk of network information security; and (g) other factors that may endanger critical information infrastructure security, cybersecurity and data security.

According to CII Regulation, which was promulgated by the State Council on July 30, 2021 and came into effect on September 1, 2021, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation and other critical industries and domains, in which any destruction or data leakage will have severe impact on national security, the nation’s welfare, the people’s livelihood and the public interest. The CII Regulations provide specific requirements for the responsibilities and obligations of the critical information infrastructure operators (hereinafter referred to as the “**operators**”). For the security protection of critical information infrastructure, it is imperative to the principles of comprehensive

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coordination, division of responsibilities and legal protection, strengthen and implement the responsibilities of operators as subjects, and give full play to the role of the government and all sectors of society, so as to jointly protect the security of critical information infrastructure.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021, which became effective on September 1, 2021, data processing activities (including the collection, storage, use, processing, transmission, provision and disclosure of data) shall be carried out in accordance with the provisions of laws and regulations, a whole-process data security management system should be established and improved, data security education and training should be organized and carried out, and corresponding technical measures and other necessary measures should be taken to ensure data security. The use of the internet and other information networks to carry out data processing activities shall fulfill the aforementioned data security protection obligations based on the network security level protection system. Processors of important data should specify the person responsible for data security and management agencies to implement data security protection responsibilities.

Pursuant to the Measures for the Security Assessment of Outbound Data (《數據出境安全評估辦法》), which were promulgated on July 7, 2022, and came into effect on September 1, 2022 by the CAC, to provide data abroad, a data processor falling under any of the following circumstances shall, through the local cyberspace administration at the provincial level, apply to the CAC for security assessment of outbound data: (i) where a data processor provides important data abroad; (ii) where a critical information infrastructure operator or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required. The Guide to Applications for Security Assessment of Outbound Data Transfers (First Edition) (《數據出境安全評估申報指南(第一版)》), promulgated and came into effect on August 31, 2022 by the CAC, further clarifies the scope of application, application method and process for security assessments for data transfers.

Pursuant to the Regulations on Network Data Security Management (Draft Data Security Regulations for Comments) (《網絡數據安全管理條例(徵求意見稿)》) promulgated on November 14, 2021, the State will focus on the protection of personal information and important data and strictly protect core data. Data processors shall be responsible for the data security and shall fulfill their obligation of data security protection in data processing. Data processors shall take necessary measures such as backup, encryption and access control to protect data from disclosure, theft, tampering, destruction, loss and illegal use, respond to network security incidents, prevent illegal and criminal activities targeting and using data, and maintain the integrity, confidentiality and usability of data. It stipulates that data processors shall, in accordance with relevant national regulations, apply for cyber security review if they engage in the following activities, including, among others, seeking to be listed abroad where

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the issuer control more than one million users' personal information, and seeking to be listed in Hong Kong where the issuer affects or may affect national security. As of the Latest Practicable Date, the Draft Regulations on Network Data Security Management has not been formally adopted.

Regulations on Privacy Protection

The Provisions on Technological Measures for Internet Security Protection requires internet service providers to keep records of certain information about their users (including user registration information, log-in and log-out times, IP addresses, content and time of posts by users) for at least 60 days.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Information Protection on Networks (《關於加強網絡信息保護的決定》) to enhance the protection of information security and privacy on the internet. In particular, network service providers and other enterprises and institutions shall, when gathering and using electronic personal information in business activities, adhere to the principles of legality, rationality and necessity, explicitly state the purposes, manners and scopes of the collection and use of information, and obtain the consent of those from whom information is collected, and shall not collect and use information in violation of laws and regulations and the agreement between both sides; strictly keep the electronic personal information collected in business activities confidential and may not divulge, alter, damage, sell, or illegally provide others with such information; take technical and other necessary measures to ensure information security and prevent the leakage, damage, or loss of personal electronic information collected in business activities; and take remedial measures immediately when information leakage, damage or loss occurs or may occur.

According to the Several Provisions on Regulating the Market Order of the Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which were promulgated by the MIIT on December 29, 2011, and came into effect on March 15, 2012, without the consent of users, the internet information service providers shall neither collect information which is relevant to users and can serve to identify users solely or in combination with other information (the "personal information of users") nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations. The Provisions also require that the internet information service providers shall properly preserve the personal information of users.

Pursuant to the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》) issued by SCNPC on August 29, 2015 which became effective on November 1, 2015, and its subsequent revised versions (the latest version was issued on December 29, 2023 which would become effective on March 1, 2024) any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty for the

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consequences arising from: (i) any dissemination of illegal information on a large scale; (ii) any severe effect due to the leakage of the client’s information; (iii) any serious loss of criminal evidence; or (iv) other severe situation.

Any individual or entity that (a) sells or provides personal information to others in a way violating the applicable law, or (b) steals or illegally obtains any personal information, shall be subject to criminal penalty in severe situation. In addition, the Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate of the PRC on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringing Personal Information, (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on May 8, 2017 and effective on June 1, 2017, clarified certain standards for the conviction and sentencing of criminals in relation to personal information infringement.

On May 28, 2020, the National People’s Congress of the PRC approved the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”), which came into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

Pursuant to the PRC Personal Information Protection Law promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021, personal information shall be processed (including the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information) following the principles of lawfulness, legitimacy, necessity and good faith, and shall not be processed through misleading, fraudulent, coercive and other means. The processing of personal information shall have a clear and reasonable purpose, and shall be directly related to the purpose of processing, and should adopt a method that has the least impact on personal rights and interests. The collection of personal information should be limited to the minimum scope of achieving the purpose of processing, and excessive collection of personal information shall not be allowed. Processing of personal information should follow the principles of openness and transparency, with personal information processing rules disclosed. The purpose, manner and scope of processing should be explicitly disclosed. Personal information processors shall be responsible for their personal information processing activities and take necessary measures to ensure the security of the personal information processed.

In addition to the aforementioned general rules, the PIPL also provides the obligations for the party which commissioned by the personal information processor to process of personal information. Personal information processors commissioning the processing of personal information shall agree with the commissioned party on the purposes and period of the commissioned processing, processing methods, categories of personal information, protection measures, as well as the rights and obligations of both parties, among others, and oversee the personal information processing activities of the commissioned party. The commissioned party

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shall process personal information as agreed, and shall not process personal information beyond the agreed purposes or methods of processing, among others. Where the commission contract has not taken effect or is null and void, revoked, or rescinded, the commissioned party shall return personal information to the personal information processor or delete it, and shall not retain such information. Without the consent of the personal information processor, the commissioned party shall not commission the commissioned processing of personal information. The parties that are commissioned to process personal information shall, in accordance with the provisions of the PIPL and applicable laws and administrative regulations, take necessary measures to ensure the security of the personal information processed, and assist personal information processors in fulfilling the obligations specified in the PIPL. Article 13 of the PRC Personal Information Protection Law provides that personal information processors should obtain personal consent when processing personal information, unless it is exempted by law. If the personal information processor entrusts another party to process the personal information, this entrusted party is not required to obtain authorization directly from individuals, as consent shall be obtained by the entrusting personal information processor.

The Cyber Security Law of the PRC sets forth various security protection obligations for network operators, which are defined as “owners and administrators of networks and network service providers”, including, among others, complying with a series of requirements of tiered cyber protection systems, requesting users to provide real identity, localizing the personal information and important data gathered and produced by key information infrastructure operators during operations within China and providing assistance and support to government authorities where necessary for protecting national security and investigating crimes.

REGULATIONS RELATED TO LEASING PROPERTIES

Pursuant to the Administration of Urban Real Estate Law of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and most recently amended on August 26, 2019 and came into effect on January 1, 2020, a written lease contract shall be entered into between the lessor and the lessee for leasing a property. The contract shall include the terms and conditions such as the term, purpose and price of leasing and liability for maintenance and repair, as well as other rights and obligations of both parties. The contract shall be filed for registration and record with the real estate administration department.

The Administrative Measures for Commercial House Leasing (《商品房屋租賃管理辦法》) were promulgated by Ministry of Housing and Urban-Rural Development on December 1, 2010, and became effective on February 1, 2011. These measures set out specific rules for commercial house leasing. Houses may not be leased in any of the following circumstances: (i) the house is an illegal structure; (ii) the house fails to meet mandatory engineering construction standards with respect to safety and disaster preventions; (iii) the house usage is changed in violation of applicable regulations; and (iv) other circumstances prohibited by laws and regulations. The lessor and the lessee shall register and file with the local property

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administration authority within thirty days after entering into the lease contract. Non-compliance with such registration and filing requirements shall be subject to fines from RMB1,000 to RMB10,000 provided that they fail to rectify within required time limits.

The lease contract shall also comply with the provisions of the Civil Code. Pursuant to the Civil Code, the contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, lease expense as well as time limit and method for its payment, and maintenance of the leased property. An owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

REGULATIONS RELATED TO INTELLECTUAL PROPERTY IN THE PRC

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), as issued on September 7, 1990 and latest amended on November 11, 2020, and Implementation Regulations for the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which came into effect on June 1, 1991 and was last amended on January 30, 2013, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the right of production and that of distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law, shall constitute infringements of copyright.

Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) promulgated on June 4, 1991 by the State Council and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on April 6, 1992 and last amended by the National Copyright Administration on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

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Patents

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》), which was issued on March 12, 1984 and last amended on October 17, 2020, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which were issued on June 15, 2001 and last amended on January 9, 2010, a patentable invention, utility model or design must meet three conditions: novelty, inventiveness and practical applicability. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications.

A patent is valid for a twenty-year term for an invention and a ten-year term for a utility model or design, starting from the application date. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated on August 23, 1982 and last amended on April 23, 2019 and came into effect on November 1, 2019, the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which were issued on August 3, 2002 and last amended on April 29, 2014, the Trademark Office under the SAIC of the PRC, (the “Trademark Office”), shall handle trademark registrations and grant a term of ten years to registered trademarks, which may be renewed for an additional ten year period upon request from the trademark owner. The Trademark Law of the PRC has adopted a “first-to-file” principle with respect to trademark registration. Where an application for trademark for which application for registration has been made is identical or similar to another trademark which has already been registered or is under preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right of others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licensor shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish it. An unrecorded license may not be used as a defense against a third party in good faith.

Domain Name

Domain names are protected under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and became effective in November 1, 2017. The MIIT is the major regulatory authority of domain names. The registration of domain names in China is on a “first-apply-first-registration” basis. A domain name applicant will become the domain name holder upon completion of the application procedure.

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REGULATIONS RELATED TO EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”), or the Labor Contract Law and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which became effective on January 1, 2008, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as “dispatched workers”. Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance

According to the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which was issued on December 14, 1998 and the Decision of the State Council on Improving the Basic Endowment Insurance System for Enterprise Employees(《國務院關於完善企業職工基本養老保險制度的決定》), which was issued on December 3, 2005, all urban employers, including enterprises (including but not limited to state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises), government agencies, public institutions, social organizations, private non-enterprise units and their employees, must participate in basic medical insurance, and all urban enterprise employees, individual industrial and commercial households and flexible employment personnel must participate in the basic pension insurance for enterprise employees.

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The Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (the “**Social Insurance Law**”), issued by the SCNPC on October 28, 2010 and last amended on December 29, 2018, the Regulations on Occupational Injury Insurance (《工傷保險條例》) effective as of January 1, 2004 and as amended on December 20, 2010, the Interim Measures concerning the Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》) effective as of January 1, 1995, Unemployment Insurance Regulations (《失業保險條例》) effective as of January 22, 1999, have established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees’ housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people’s court will be applied.

In case of failure to register and open accounts for depositing employees’ housing provident funds, the housing fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

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REGULATIONS ON FOREIGN EXCHANGE

Regulations Relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended on August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, 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 account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the funds shall be consistent with the contents of the document and other public disclosure documents.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), (the “**SAFE Circular 19**”), on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and last amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. On June 9, 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), (the “**SAFE Circular 16**”), which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

On October 23, 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign

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invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, issued by SAFE on April 10, 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Regulations Relating to Overseas Investment

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, “overseas investment” means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on

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December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the SCNPC promulgated the Law on Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), which was amended on February 24, 2017 and December 29, 2018. On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Law on Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法實施條例》), which came into effect on January 1, 2008 and was amended on April 23, 2019. Under the EIT Law and its implementing regulations, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied.

Pursuant to the EIT Law, enterprises qualified as “High and New Technology Enterprises” are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The preferential tax treatment continues as long as an enterprise can retain its “High and New Technology Enterprise” status. According to the Announcement on Issuing the Revised Measures for Handling Enterprise Income Tax Preferences (Revision 2018) (企業所得稅優惠政策事項辦理辦法(2018修訂)), which was promulgated by the SAT and came into effect on April 25, 2018, enterprises enjoying enterprise income tax preferences shall adopt the handling methods of “making independent judgment, declaring for enjoyment and retaining the relevant materials for future reference”. An enterprise shall, according to its operating condition and related tax provisions, independently determine whether it satisfies the conditions required for enterprise income tax preferences. Those who meet the conditions may independently calculate the tax deductions or exemptions according to the time listed in the Catalog for the Administration of Enterprise Income Tax Preferences (Revision 2017) (企業所得稅優惠事項管理目錄(2017年版)), and enjoy tax incentives by filing enterprise income tax returns. Meanwhile, they shall, in accordance with the relevant provisions, collect and retain the relevant materials for future reference.

Pursuant to the EIT Law, the enterprise income tax on a small meagre-profit enterprise that meets the prescribed conditions shall be levied at a reduced tax rate of 20%.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (《財政部、國家稅務總局關於實施小微企業普惠性稅收減免政策的通知》), during the period from January 1, 2019 to December 31, 2021, the annual taxable income of small low-profit enterprises that is not more than RMB1 million shall be included

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in its taxable income at the reduced rate of 25% with the applicable enterprise income tax rate of 20%. According to the Announcement on Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》), during the period from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than 1 million yuan shall be included in its taxable income at the reduced rate of 12.5%, with the applicable enterprise income tax rate of 20%. According to the Notice of the MOF and the SAT on the Income Tax Incentives to Small and Micro Enterprises and Privately-owned Businesses (《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) and the Notice of the MOF and the SAT on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (財政部、稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), which shall be in force from January 1, 2023 to December 31, 2027, for the annual taxable income of a small and low-profit enterprise, the portion not exceeding RMB1 million shall be treated as 25% for the purpose of taxable income calculation and subject to the enterprise income tax rate of 20%.

Value-Added Tax

The Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) were promulgated by the State Council on December 13, 1993 and came into effect on January 1, 1994 which were subsequently amended on November 10, 2008 and came into effect on January 1, 2009 and amended on February 6, 2016 and November 19, 2017. The Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (Revised in 2011) (《中華人民共和國增值稅暫行條例實施細則》(2011修訂)) was promulgated by the Ministry of Finance on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, or collectively, VAT Law. On November 19, 2017, the State Council promulgated The Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax (《關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) (the “**Order 691**”). According to the VAT Law and Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of VAT. The VAT tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%. The Notice of the Ministry of Finance and the SAT on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) (the “**Value-added Tax Notice**”), was promulgated on April 4, 2018 and came into effect on May 1, 2018. The Value-added Tax Notice adjusted the VAT tax rates of 17% and 11% to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), with effect from April 1, 2019, the VAT tax rate of 16% and 10% are changed into 13% and 9%, respectively.

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Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the VAT Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) and the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant VAT Policies for Promoting the Resolution of Difficulties so as to Develop the Difficulty-Ridden Industries in the Service Sector (《財政部、稅務總局關於促進服務業領域困難行業紓困發展有關增值稅政策的公告》), with effect from April 1, 2019 to December 31, 2022, taxpayers of production service industry shall deduct the tax payable by 10% of the current deductible input tax amount. Pursuant to the Notice of the MOF and the SAT to Clarify the Policy of VAT Incentives to Small-Scale VAT Payers (《財政部、稅務總局關於明確增值稅小規模納稅人減免增值稅等政策的公告》), with effect from January 1, 2023 to December 31, 2023, taxpayers of production service industry shall deduct the tax payable by 5% of the current deductible input tax amount.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (《財政部、稅務總局關於實施小微企業普惠性稅收減免政策的通知》), with effect from January 1, 2019 to December 31, 2021, small-scale VAT taxpayers with a monthly sales amount of RMB100,000 or less shall be exempt from VAT. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Policy for Exempting Small-Scale VAT Taxpayers from Value-added Tax (《財政部、稅務總局關於明確增值稅小規模納稅人免徵增值稅政策的公告》), from April 1, 2021 to December 31, 2022, small-scale VAT taxpayers with a monthly sales amount of 150,000 yuan or less shall be exempt from VAT. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Exempting Small-Scale VAT Taxpayers from VAT (《財政部、稅務總局關於對增值稅小規模納稅人免徵增值稅的公告》), from April 1, 2022 to December 31, 2022, a small-scale VAT taxpayer shall be exempt from VAT if the VAT rate of 3% applies to its taxable sales income, and the prepayment of VAT on its items subject to prepayment of VAT at the rate of 3% shall be suspended. Pursuant to the Notice of the MOF and the SAT to Clarify the Policy of VAT Incentives to Small-Scale VAT Payers (《財政部、稅務總局關於明確增值稅小規模納稅人減免增值稅等政策的公告》) and Announcement of the Ministry of Finance and the State Taxation Administration on Value-Added Tax Reduction and Exemption Policies for Small-Scale Value-Added Tax Taxpayers (《財政部、稅務總局關於增值稅小規模納稅人減免增值稅政策的公告》), from January 1, 2023 to December 31, 2027, small-scale VAT payers with monthly revenue below RMB100,000 shall be exempted from VAT; for a small-scale VAT payer, the sales income with a tax rate of 3% shall be subject to a lower VAT rate of 1%, and the provisional VAT items with a provisional tax rate of 3% shall be subject to a lower provisional VAT rate of 1%.

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REGULATIONS RELATED TO OVERSEAS LISTING

Regulations on the H-share Full Circulation

“Full circulation” means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (the “**Guidelines for the Full Circulation**”), which was revised on August 10, 2023.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange (the “**SZSE**”) jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

In order to fully promote the reform of H-share full circulation and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, CSDC promulgated the Circular on Issuing the Guide to the Program for Full Circulation of H-shares (《H股“全流通”業務指南》) on February 7, 2020, which specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, and other relevant matters. In February 2020, China Securities Depository and Clearing (Hong Kong) Limited also promulgated the Guide of China Securities Depository and Clearing (Hong Kong) Limited to the Program for Full Circulation of H-shares to specify the relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

According to the Measures for Implementation and the Guide to the Program for Full Circulation of H-shares, shareholders who apply for H-share Full Circulation (the “**Participating Shareholders**”) shall complete the cross-border transfer registration for conversion of relevant domestic unlisted shares into H Shares before dealing in the shares, i.e., CSDC as the nominal shareholder, deposits the relevant securities held by Participating Shareholders at China Securities Depository and Clearing (Hong Kong) Limited (the “**CSDC**”

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(Hong Kong)”), and CSDC (Hong Kong) will then deposit the securities at HKSCC in its own name, and exercise the rights to the securities issuer through HKSCC, while HKSCC Nominees as the ultimate nominal shareholder is listed on the register of shareholders of H-share listed companies.

According to the Guide to the Program for Full Circulation of H-shares, H-share listed companies shall be authorized by Participating Shareholders to designate the only domestic securities company (the “**Domestic Securities Company**”) to participate in the transaction of converted H shares. The specific procedure is as follows:

Participating Shareholders submit trading orders of the converted H-shares through the Domestic Securities Company, which transmits the orders to the Hong Kong Securities Company designated by the Domestic Securities Company through Shenzhen Securities Communications Co., Ltd.; and Hong Kong Securities Company conducts corresponding securities transactions in the Hong Kong market in accordance with the aforementioned trading orders and the rules of the Stock Exchange.

According to the Guide to the Program for Full Circulation of H-shares, upon the completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Participating Shareholders, will all be conducted separately.

Regulations Relating to Overseas Securities Offering and Listing

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies’ securities, either directly or indirectly, into a filing-based system.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal

REGULATORY OVERVIEW

offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as an initial public offering.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer’s main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three working days after occurrence of the changes.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are an integrated API-enabled data exchange service provider in China. We provide standard API services and customized data management solutions. For details, see “Business”.

Our history can be traced back to February 2010 when our predecessor company, Suzhou ThinkLand Technology Co., Ltd. (蘇州新科蘭德科技有限公司) (“**ThinkLand Technology**”), was established in the PRC by our founder, Mr. Zuo (our chairman, chief executive officer, executive Director and one of our Controlling Shareholders) and the then Shareholders. After several changes in our shareholding structure, our predecessor company was converted into a joint stock company with limited liability (the “**Conversion**”) under the laws of the PRC in September 2017.

OUR BUSINESS MILESTONES

We set forth below our key business development and milestones:

<u>Year</u>	<u>Milestone</u>
2010	Our predecessor company ThinkLand Technology was established in Suzhou.
2011	We launched the first API data interface platform in the PRC.
2014	We completed the Series A Investment and JD Technology became our second largest Shareholder.
2015	We were awarded two Yunfan Awards (雲帆獎), being (i) the Outstanding Practice Unit Award in Cloud Computing Application (雲計算應用優秀實踐單位獎); and (ii) Top Ten Growing Enterprise in Cloud Computing (雲計算十大最具成長力企業) by the Center of International Economic and Technological Cooperation of MIIT (工信部國際經濟技術合作中心) in CloudChina 2015. We completed the Series B Investment with an aggregate investment of approximately RMB157.50 million from JD Technology, Culture Fund and Tahoe Growth. ^(Note)
2016	We were recognized as the Major Innovative Platform Medium (重大創新平台載體), which was the key scientific and technological innovation project in Suzhou during the period of Thirteenth Five-year Plan.
2017	Our predecessor company was converted into a joint stock company with limited liability under the laws of the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2019	<p>We were awarded the Wu Wenjun Artificial Intelligence Science and Technology Progress Award (吳文俊人工智能科技進步獎) host by CAAI, which is a well-recognized award for intelligent science and technology in the PRC.</p> <p>We recorded over 1 million customers since the commencement of the operation of our API marketplace.</p>
2020	<p>We were awarded the (i) Recommended List of Product and Activities of Small and Mid-Size Enterprises Digital Empowerment – Digital Platform (數字化平台類 – 中小企業數字化賦能服務產品及活動推薦目錄); and (ii) Jiangsu Province Excellent Typical Application Project of Big Data (江蘇省大數據優秀典型應用項目) by Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業信息化廳) and Jiangsu Province Information Technology Leadership Group Big Data Development Office (江蘇省信息化領導小組大數據發展辦公室).</p>
2021	<p>We were recognized as the (i) Big Data Industry Development Pilot Model Project (大數據產業發展試點示範項目) by MIIT and (ii) Jiangsu Province Artificial Intelligence Benchmark Demonstration Enterprise (江蘇省人工智能標桿示範企業) by Jiangsu Artificial Intelligence Industry Technology Innovation Strategic Alliance (江蘇省人工智能產業技術創新戰略聯盟).</p> <p>We won several bids for the government digital transformation benchmark projects, including a social governance project and also the data project for the PRC securities market.</p>
2022	<p>We were recognized as one of the first batch companies selected to be a member of the digital economy standard working group to join the National MIIT Committee for Information Technology and Industrialization Convergence Standardization (全國兩化融合管理標準化技術委員會).</p> <p>The annual usage of our API marketplace exceeded 100 billion times.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Year</u>	<u>Milestone</u>
2023	We were (i) awarded the first prize in the Zero-Knowledge Proof Track at the 2022 World Privacy-Preserving Computing Competition (隱私保護計算大賽零知識證明賽道) sponsored by the MIIT; (ii) included in the List of Jiangsu Province Blockchain Industry Development Pilot Model Project (江蘇省區塊鏈產業發展試點示範項目名單) by Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳); and (iii) recognized as the Fifth Batch of National Specialized, Refined, Innovative and Outstanding “Little Giant” Enterprises (國家級第五批專精特新“小巨人”) by MIIT.

Note: Pursuant to the capital increase agreement in respect of the Series B Investment, each of Cultural Fund, JD Technology and Tahoe Growth has invested RMB120 million, RMB31.50 million and RMB6 million in ThinkLand Technology, respectively. Cultural Fund ceased to be our Shareholder in October 2020, details of which are set out in the “Major corporate developments of our Company – (g) Equity Transfers in October 2020”.

OUR CORPORATE HISTORY AND DEVELOPMENT

Our Company

Establishment of our predecessor company

Our predecessor company, ThinkLand Technology, was established in the PRC on February 25, 2010 with an initial registered capital of RMB3.00 million, which was fully paid up as of the date of establishment. As of the date of establishment, ThinkLand Technology was owned as to (i) 46.00% by our founder, chairman, chief executive officer and executive Director Mr. Zuo; (ii) 33.00% by our former Shareholder Mr. Qin Cheng (秦誠); and (iii) 21.00% by our executive Director Mr. Wang Haojin (王昊今), respectively. Mr. Qin and Mr. Wang ceased to be our Shareholders in January 2014 after a series of share transfers in tranches and their registered capital were transferred at a price which was equivalent to their subscription price. For details of the background and experience of Mr. Zuo and Mr. Wang, see the section headed “Directors, Supervisors and Senior Management”. Mr. Qin is an experienced investor with principal investment in solar photovoltaic and other projects and became acquainted with Mr. Zuo and Mr. Wang in 2006 when they all attended the Nanjing University of Aeronautics and Astronautics in the PRC together.

Major corporate developments of our Company

Since the establishment of our Company, our Company had undertaken a series of equity transfers and capital injections to, amongst others, raise funds for the development of our business and diversify our Shareholders base. Notwithstanding the series of equity transfers and capital injections, our Company remained controlled by Mr. Zuo since its establishment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Set out below are the equity transfers and capital injections by investors who remained as our Shareholders as of the Latest Practicable Date and the investments of which were considered material to our Company since its establishment. See “– [REDACTED] Investment” in this section for details of our [REDACTED] Investors and their corresponding investments.

(a) Series A Investment

Pursuant to the capital increase and shareholders’ agreement dated February 14, 2014 entered into among JD Technology, our Company and the then Shareholders of ThinkLand Technology, JD Technology invested RMB19.50 million in ThinkLand Technology (the “**Series A Investment**”), among which approximately RMB1.75 million was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve. The consideration of the Series A Investment was determined based on arm’s length negotiation between the parties after considering the operation and prospect of ThinkLand Technology. Upon completion of such capital injection on February 20, 2014, the registered capital of ThinkLand Technology was increased to RMB8.75 million.

(b) Increase of registered capital by converting capital reserve

On August 28, 2015, ThinkLand Technology passed a shareholders’ resolution pursuant to which ThinkLand Technology increased its registered capital from RMB8.75 million to RMB26.00 million by converting its capital reserve to registered capital. The registered capital of ThinkLand Technology subscribed by the then Shareholders was increased on a pro-rata basis and upon completion of such increase on September 9, 2015, the registered capital of ThinkLand Technology was increased to RMB26.00 million.

(c) Series B Investment

Pursuant to the capital increase agreement dated December 17, 2015, among others, (i) JD Technology invested approximately RMB31.50 million in ThinkLand Technology, among which RMB972,107 was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve; and (ii) Tahoe Growth invested RMB6.00 million in ThinkLand Technology, among which RMB185,163 was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve (the “**Series B Investment**”). The consideration of the Series B Investment was determined based on arm’s length negotiation between the parties after considering the operation of ThinkLand Technology and the industry and market conditions. Upon completion of such capital injection on December 23, 2015, the registered capital of ThinkLand Technology was increased to approximately RMB30.86 million.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(d) Capital injection by Yiju Liuhe and Liuju Liuhe

On October 13, 2016, ThinkLand Technology passed a shareholders’ resolution pursuant to which, among others, (i) Yiju Liuhe invested approximately RMB18.03 million in ThinkLand Technology, among which approximately RMB2.90 million was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve; and (ii) Liuju Liuhe invested approximately RMB4.28 million in ThinkLand Technology, among which RMB689,082 was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve. The consideration was determined based on the net asset value of ThinkLand Technology. Yiju Liuhe and Liuju Liuhe are our employee shareholding platforms set up with the purpose to attract and retain management and key employees of our Group and to align the participants’ interest with the long-term success of our Group. For the partnership structure of Yiju Liuhe and Liuju Liuhe, see “– Employee Shareholding Platforms” in this section below.

Upon completion of such capital injection on October 31, 2016, the registered capital of ThinkLand Technology was increased to approximately RMB34.45 million.

(e) Series C Investment

Pursuant to the capital increase agreement entered into among ThinkLand Technology, the then Shareholders and Mr. Qiu in December 2016, Mr. Qiu invested RMB200.00 million in ThinkLand Technology, among which approximately RMB2.76 million was injected as the registered capital of ThinkLand Technology while the remaining amount was recorded as ThinkLand Technology’s capital reserve (the “**Series C Investment**”). The amount of consideration under the Series C Investment was determined based on arm’s length negotiation between the parties after considering the operation and prospect of ThinkLand Technology. Upon completion of such capital injection on January 17, 2017, the registered capital of ThinkLand Technology was increased to approximately RMB37.21 million.

(f) Conversion into joint stock limited liability company

On August 3, 2017, the then Shareholders of ThinkLand Technology resolved at a shareholders’ general meeting to convert ThinkLand Technology into a joint stock company with limited liability, with a registered capital of RMB45.00 million. According to the audit report prepared by an independent auditor, the net asset value of ThinkLand Technology as of June 30, 2017 amounted to approximately RMB451.33 million, of which (i) RMB45.00 million was converted into Shares of RMB1.00 nominal value each; and (ii) the remaining RMB406.33 million was converted into capital reserve. Upon Conversion, all the Shareholders as of the date of conversion held the Shares in proportion to their respective shareholding ratio.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon the completion of registration with the Jiangsu Administration for Industry and Commerce (江蘇省工商行政管理局) on September 20, 2017, ThinkLand Technology was converted into a joint stock company with limited liability. Immediately upon completion of the Conversion, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Unlisted Shares	Approximate percentage of shareholding
Mr. Zuo	19,322,123	42.93%
JD Technology	7,463,958	16.59%
Culture Fund	4,478,374	9.95%
Mr. Qiu	4,037,978	8.97%
Yiju Liuhe	3,512,401	7.81%
Mr. Hua Yong (華勇)	1,060,815	2.36%
Mr. Zhou Lijun (周立軍)	943,258	2.10%
Liuju Liuhe	833,310	1.85%
Ms. Ren	628,838	1.40%
Tahoe Growth	569,780	1.27%
Tahoe Lande	520,819	1.16%
Mr. Ning Xinran (寧欣然)	373,198	0.83%
Shanghai Keluopu	373,198	0.83%
Donghe Huaming	373,198	0.83%
Tahoe Growth II	208,327	0.46%
Mr. Wang Bin (王斌)	186,599	0.41%
Ms. Hua	69,042	0.15%
Mr. Dong Mingyan (董銘彥)	44,784	0.10%
Total	45,000,000	100.00%

(g) Equity Transfers in October 2020

Pursuant to the equity transfer agreement dated October 30, 2020 entered into between our former Shareholders Culture Fund and Suzhou Tianju Shundang Management Consulting Partnership (Limited Partnership) (蘇州天聚順當管理諮詢合夥企業(有限合夥)) (“**Tianju Shundang**”), Culture Fund transferred 4,478,374 Shares, being all the Shares held by Cultural Fund and representing approximately 9.95% equity interest of our Company as of the date of transfer, to Tianju Shundang at a consideration of approximately RMB182.58 million, which was determined based on the public auction conducted by China Beijing Equity Exchange (the “**Auction Price**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subsequent to the above transfer, Cultural Fund ceased to be our Shareholder. In October 2020, Tianju Shundang transferred an aggregate of 4,478,374 Shares, representing approximately 9.95% equity interest of our Company as of the date of transfer, to 17 investors (the “**Equity Transfers in October 2020**”). See “[REDACTED] Investments” in this section for details.

(h) Series D Investment

Pursuant to the capital increase agreement dated November 28, 2020, ABC Investment invested RMB20.00 million in our Company, among which RMB300,000 was injected as the registered capital of our Company while the remaining amount was recorded as our Company’s capital reserve (the “**Series D Investment**”). The consideration of the Series D Investment was determined based on arm’s length negotiation between the parties after considering the valuation of our Company as estimated by ABC Investment and the industry prospects. Upon completion of such capital injection, the registered capital of our Company was increased to approximately RMB45.30 million.

PRC Legal Advisors’ confirmation

As advised by our PRC Legal Advisors, our Company has obtained all necessary approvals from competent authorities and made all necessary registration and filings with the relevant local branch of SAMR in respect of the material aspects set out above.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Yiju Liuhe and Liuju Liuhe, each being a limited partnership established in the PRC, were established as our employee shareholding platforms in September 2016. As of the Latest Practicable Date, each of Yiju Liuhe and Liuju Liuhe was interested in 3,512,401 Shares and 833,310 Shares, representing approximately 7.75% and 1.84% equity interest of our Company, respectively.

As of the Latest Practicable Date, Yiju Liuhe was held as to 99.00% by Mr. Zuo as its general partner and 1.00% by Ms. Hua as its limited partner.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, all of the partnership interests in Liuju Liuhe have been granted to the eligible employees in recognition of their contribution to our Group. The partnership structure of Liuju Liuhe was as follows:

Name of partner	Position(s) in our Group	Capital subscription amount <i>(RMB'000)</i>	Partnership interest
Mr. Zuo ⁽¹⁾	Chairman, chief executive officer and executive Director of our Company Chairman and director of Beijing Sidike Chairman and director of Zhonghui Juhe Chairman, director, general manager and head of finance of Wuhan Jushunhe Director and manager of Juli Wanhe	2,985.30	69.75%
Mr. Wang Haojin (王昊今)	Executive Director of our Company Supervisor of Juli Wanhe	74.90	1.75%
Mr. Lin Shan (林杉)	Executive Director of our Company Supervisor of Wuhan Jushunhe	64.20	1.50%
Ms. Yang Yanjun (楊彥君)	Executive Director, deputy general manager, secretary to our Board and joint company secretary of our Company	64.20	1.50%
Mr. Shao Chuangye (邵創業)	Chief financial officer of our Company	64.20	1.50%
Mr. Wei Zheng (魏徵)	Deputy general manager of our Company Director and general manager of Tianju Renhe Director of Tianju Xinghe	64.20	1.50%
Mr. Dong Chuanzu (董傳族)	Deputy general manager of our Company	80.25	1.88%
Mr. Han Jianfeng (韓劍鋒)	Deputy general manager of our Company	64.20	1.50%
Mr. Shao Lida (邵利達)	Deputy general manager of our Company	64.20	1.50%
Mr. Huang Yanxiang (黃燕翔)	Sales manager of our Company	64.20	1.50%
Ms. Li Shaona (李少娜)	General manager of Zhonghui Juhe	64.20	1.50%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Name of partner</u>	<u>Position(s) in our Group</u>	Capital subscription amount	Partnership interest
		<i>(RMB'000)</i>	
Mr. Chang Liyou (常立友)	Former deputy general manager of our Company	80.25	1.88%
Mr. Qiu Jie (裘傑)	Former deputy general manager of our Company	64.20	1.50%
Mr. Wang Xiaofeng (汪曉峰)	Former marketing manager of our Company	64.20	1.50%
21 other employees of our Group ⁽²⁾	Employees	417.20	9.74%
Total		4,280.00	100.00%

Notes:

- (1) Mr. Zuo is the sole general partner of Liuju Liuhe.
- (2) As of the Latest Practicable Date, each of the 21 other employees of our Group held no more than 1.25% partnership interest in Liuju Liuhe.

Mr. Zuo, being the sole general partner of Yiju Liuhe and Liuju Liuhe, is entitled to exercise the respective voting rights held by Yiju Liuhe and Liuju Liuhe in our Company at his discretion and also execute the partnerships' affairs on behalf of the respective limited partners in accordance with the limited partnership agreements. For details of the Employee Incentive Scheme, see “Appendix VII – Statutory and General Information – D. Employee Incentive Scheme”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

Overview

Set forth below is a summary of the [REDACTED] Investments in our Company by investors who remained as our Shareholders as of the Latest Practicable Date:

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid (RMB)	Basis of consideration	Investment cost per Share ⁽²⁾ (RMB)	Date of settlement of full consideration	Discount to the [REDACTED]
Equity transfer in January 2014	Equity transfer	Ms. Ren	Mr. Wang Haojin	January 28, 2014	2.50%	175,000	Based on arm's length negotiation between the parties with reference to the nominal value of ThinkLand Technology	1.00	October 31, 2014	[REDACTED]
Series A Investment	Capital injection	JD Technology	N/A	February 20, 2014	N/A ⁽³⁾	19,500,000	Based on arm's length negotiation between the parties after considering the operation and prospect of ThinkLand Technology	11.14	February 25, 2014	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
						(RMB)		(RMB)		
Equity transfer in February 2015 (the “Equity Transfer in February 2015”)	Equity transfer	Mr. Zhou Lijun (周立軍)	Mr. Zuo	February 25, 2015	2.51%	4,500,000	Based on arm’s length negotiation between the parties after considering the operation of ThinkLand Technology	20.51 ⁽⁴⁾	February 10, 2015	[REDACTED]
Equity transfers in July 2015 (the “Equity Transfers in July 2015”)	Equity transfer	Tahoe Growth Mr. Zhou Lijun	Mr. Zuo Mr. Zuo	July 24, 2015 July 24, 2015	1.10% 0.49%	3,300,000 1,476,000	Based on arm’s length negotiation between the parties after considering the operation of ThinkLand Technology	34.29 ⁽⁴⁾ 34.29 ⁽⁴⁾	June 3, 2015 July 25, 2015	[REDACTED] [REDACTED]
Equity transfers in November 2015 (the “Equity Transfers in November 2015”)	Equity transfer	Mr. Hua Yong (華勇) Mr. Qiu	Mr. Zuo Mr. Zuo	November 18, 2015 November 18, 2015	1.00% 2.00%	5,000,000 10,000,000	Based on arm’s length negotiation between the parties after considering the operation of ThinkLand Technology	19.23 ⁽⁴⁾ 19.23 ⁽⁴⁾	June 17, 2015 June 9, 2015	[REDACTED] [REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
						(RMB)		(RMB)		
Series B Investment	Capital injection	ID Technology	N/A	December 23, 2015	N/A ⁽³⁾	31,500,006	Based on arm's length negotiation between the parties after considering the operation of ThinkLand Technology and the industry and market conditions	32.40	December 29, 2015 ⁽⁵⁾	[REDACTED]
		Tahoe Growth	N/A	December 23, 2015	N/A ⁽³⁾	6,000,000		32.40	December 29, 2015 ⁽⁵⁾	[REDACTED]
Equity transfers in March 2016	Equity transfer	Shanghai Keluopu	Ms. Yang Jin (楊晉)	March 31, 2016	1.00%	10,000,000	Based on arm's length negotiation between the parties after considering the operation of ThinkLand Technology and with reference to the investment cost under the Series B Investment	32.40	April 11, 2016	[REDACTED]
		Mr. Wang Bin (王斌)	Ms. Yang Jin	March 31, 2016	0.50%	5,000,000		32.40	March 30, 2016	[REDACTED]
		Ms. Hua	Ms. Yang Jin	March 31, 2016	0.19%	1,850,000		32.40	January 29, 2016	[REDACTED]
		Mr. Qiu	Mr. Zuo	March 31, 2016	0.20%	2,000,000		32.40	July 9, 2015	[REDACTED]
		Mr. Hua Yong	Mr. Zuo	March 31, 2016	2.00%	20,000,000		32.40	March 23, 2016	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
Equity transfers in January 2017	Equity transfer	Tahoe [REDACTED] Growth II	Mr. Zuo	January 17, 2017	0.50%	12,000,000	Based on arm's length negotiation between the parties after considering the operation and prospect of ThinkLand Technology	69.66	January 25, 2017	[REDACTED]
		Tahoe Lande	Mr. Zuo	January 17, 2017	1.25%	30,000,000		69.66	July 13, 2017	[REDACTED]
Series C Investment	Capital injection	Mr. Qiu	N/A	January 17, 2017	N/A ⁽³⁾	200,000,000	Based on arm's length negotiation between the parties after considering the operation and prospect of ThinkLand Technology	72.53	March 1, 2017	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
						(RMB)		(RMB)		
Equity Transfers in October 2020	Equity transfer	Mr. Cai Yitao (蔡宜韜)	Tianju Shundang	December 23, 2020	0.49%	9,000,000	Based on the Auction Price, details of which are set out in the paragraph headed “Equity Transfers in October 2020” above	40.77	October 22, 2020	[REDACTED]
		Mr. Chen Zhixin (陳志新)		December 23, 2020	0.19%	3,500,000		40.77	October 23, 2020	[REDACTED]
		Mr. Chu Xiaogang (褚曉剛)		December 23, 2020	0.82%	15,000,000		40.77	October 27, 2020	[REDACTED]
		Datong Qikai		December 23, 2020	0.38%	7,000,000		40.77	October 22, 2020	[REDACTED]
		Mr. Fan Shebin (范社彬)		December 23, 2020	1.20%	22,000,000		40.77	October 20, 2020	[REDACTED]
		Ms. Gong Juhui (龔菊輝)		December 23, 2020	0.27%	5,000,000		40.77	October 24, 2020	[REDACTED]
		Mr. Gu Guomin (顧國民)		December 23, 2020	0.16%	3,000,000		40.77	November 2, 2020	[REDACTED]
		Suzhou Guofa No. 8		December 23, 2020	1.63%	30,000,000		40.77	November 3, 2020	[REDACTED]
		Mr. Hua Yong		December 23, 2020	0.77%	14,082,500		40.77	December 9, 2020	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
						(RMB)		(RMB)		
		Mr. Li Zhicong (李志聰)		December 23, 2020	0.22%	4,000,000		40.77	October 26, 2020	[REDACTED]
		Ms. Lu Fen (呂芬)		December 23, 2020	0.27%	5,000,000		40.77	October 20, 2020	[REDACTED]
		Ms. Mao Sipian (毛思翩)		December 23, 2020	0.82%	15,000,000		40.77	October 20, 2020	[REDACTED]
		Mr. Shao Zhenkai (邵臻凱)		December 23, 2020	1.09%	20,000,000		40.77	October 23, 2020	[REDACTED]
		Ms. Wang Liping (王麗萍)		December 23, 2020	0.06%	1,000,000		40.77	October 26, 2020	[REDACTED]
		Mr. Yang Xiaoning (楊小寧)		December 23, 2020	0.11%	2,000,000		40.77	November 2, 2020	[REDACTED]
		Mr. Yu Fangbiao (余方標)		December 23, 2020	0.65%	12,000,000		40.77	October 20, 2020	[REDACTED]
		Mr. Zhong Weiwei (鍾韋韋)		December 23, 2020	0.82%	15,000,000		40.77	October 22, 2020	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Relevant investment	Nature of investment	[REDACTED] Investor(s)	Transferor(s)	Date of investment ⁽¹⁾	Equity interest acquired	Total consideration paid	Basis of consideration	Investment cost per Share ⁽²⁾	Date of settlement of full consideration	Discount to the [REDACTED]
						(RMB)		(RMB)		
Series D Investment	Capital injection	ABC	N/A	December 23, 2020	N/A ⁽³⁾	20,000,000	Based on arm's length negotiation between the parties after considering ABC Investment's estimate on the valuation of the Company and the industry prospect	66.67	November 30, 2020	[REDACTED]
Equity transfer in July 2023 (the “Equity Transfer in July 2023”)	Equity transfer	China-Singapore Ventures	Mr. Zuo	July 24, 2023	0.81%	22,000,000	Based on arm's length negotiation between the parties after considering the operation of the Company	59.60	July 24, 2023	[REDACTED]

Notes:

- (1) Save for the Equity Transfers in October 2020 and the Equity Transfer in July 2023, the date of investment refers to the date when the registration and filing of such investments with local Administration for Market Regulation was completed. The date of investment in respect of the Equity Transfers in October 2020 and the Equity Transfer in July 2023 refers to the date when our Company updated its register of Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) The investment cost per Share equals the total consideration paid by the [REDACTED] Investor(s) in each [REDACTED] Investment divided by either (i) the registered capital transferred or subscribed by them; or (ii) the number of Shares acquired by them immediately following their respective [REDACTED] Investment(s).
- (3) The equity interest acquired is not applicable to the [REDACTED] Investments which involved capital injections. See “Series A Investment”, “Series B Investment”, “Series C Investment” and “Series D Investment” for details of such [REDACTED] Investments.
- (4) The investment cost per Share increased from RMB20.51 in the Equity Transfer in February 2015 to RMB34.29 in the Equity Transfers in July 2015 demonstrated the confidence of the [REDACTED] Investors in the prospect of Thinkland Technology. Although the investment cost per Share in the Equity Transfers in November 2015 of RMB19.23 was lower than that of the Equity Transfers in July 2015, our Company benefited from the management experience and strategic insights brought by Mr. Hua Yong and Mr. Qiu (each being a founder of a company listed on the Shenzhen Stock Exchange).
- (5) The date of settlement of full consideration of the Series B Investment as set out in a capital contribution verification report issued by certified public accountants.
- (6) The table above only demonstrates the particular of equity transfers and capital injections made by our [REDACTED] Investors, being investors who remained as our Shareholders as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholding structure as of the date of completion each [REDACTED] Investment

The following sets out our Shareholders and shareholding movement after the completion of each [REDACTED] Investment:

(i) Equity transfer in January 2014

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	6,650.00	95.00
Ms. Yang Jin.	175.00	2.50
Ms. Ren	175.00	2.50
	7,000.00	100.00

(ii) Series A Investment

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	6,650.00	76.00
Ms. Yang Jin.	175.00	2.00
Ms. Ren	175.00	2.00
JD Technology	1,750.00	20.00
	8,750.00	100.00

(iii) Equity Transfer in February 2015

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	6,430.55	73.49
Ms. Yang Jin.	175.00	2.00
Ms. Ren	175.00	2.00
JD Technology	1,750.00	20.00
Mr. Zhou Lijun	219.45	2.51
	8,750.00	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(iv) *Equity Transfers in July 2015*

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	6,291.25	71.90
Ms. Yang Jin.	175.00	2.00
Ms. Ren	175.00	2.00
JD Technology	1,750.00	20.00
Mr. Zhou Lijun	262.50	3.00
Tahoe Growth	96.25	1.10
	8,750.00	100.00

(v) *Equity Transfers in November 2015*

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	17,914.00	68.90
Ms. Yang Jin.	520.00	2.00
Ms. Ren	520.00	2.00
JD Technology	5,200.00	20.00
Mr. Zhou Lijun	780.00	3.00
Tahoe Growth	286.00	1.10
Mr. Hua Yong	260.00	1.00
Mr. Qiu	520.00	2.00
	26,000.00	100.00

(vi) *Series B Investment (Note 1)*

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	17,914.00	58.05
Ms. Yang Jin.	520.00	1.69
Ms. Ren	520.00	1.69
JD Technology	6,172.11	20.00
Mr. Zhou Lijun	780.00	2.53
Tahoe Growth	471.16	1.53
Mr. Hua Yong	260.00	0.84
Mr. Qiu	520.00	1.69
Culture Fund.	3,703.26	12.00
	30,860.53	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(vii) Equity transfers in March 2016

Shareholder	Approximate registered capital contribution (RMB'000)	Approximate equity interest (%)
Mr. Zuo	16,750.56	54.28
Ms. Ren	520.00	1.69
JD Technology	6,172.11	20.00
Mr. Zhou Lijun	780.00	2.53
Tahoe Growth	471.16	1.53
Mr. Hua Yong	877.21	2.84
Mr. Qiu	581.72	1.89
Culture Fund	3,703.26	12.00
Mr. Ning Xinran	308.61	1.00
Shanghai Keluopu	308.61	1.00
Mr. Wang Bin	154.30	0.50
Ms. Ma Xin	77.15	0.25
Mr. Zhou Liguó	61.72	0.20
Ms. Hua	57.09	0.19
Mr. Dong Mingyan	37.03	0.12
	30,860.53	100.00

(viii) Equity transfers in January 2017

Shareholder	Approximate registered capital contribution (RMB'000)	Approximate equity interest (%)
Mr. Zuo	15,977.88	46.37
Ms. Ren	520.00	1.51
JD Technology	6,172.11	17.91
Mr. Zhou Lijun	780.00	2.26
Tahoe Growth	471.16	1.37
Mr. Hua Yong	877.21	2.55
Mr. Qiu	581.72	1.69
Culture Fund	3,703.26	10.75
Mr. Ning Xinran	308.61	0.90
Shanghai Keluopu	308.61	0.90
Mr. Wang Bin	154.30	0.45
Ms. Hua	57.09	0.17
Mr. Dong Mingyan	37.03	0.11
Yiju Liuhe (Note 2)	2,904.48	8.43
Liuju Liuhe (Note 2)	689.08	2.00
Tahoe Growth II	172.27	0.50
Tahoe Lande	430.68	1.25
Donghe Huaming	308.61	0.90
	34,454.10	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(ix) *Series C Investment (Note 1)*

Shareholder	Approximate registered capital contribution	Approximate equity interest
	(RMB'000)	(%)
Mr. Zuo	15,977.88	42.94
Ms. Ren	520.00	1.40
JD Technology	6,172.11	16.59
Mr. Zhou Lijun	780.00	2.10
Tahoe Growth	471.16	1.27
Mr. Hua Yong	877.21	2.36
Mr. Qiu	3,339.09	8.97
Culture Fund	3,703.26	9.95
Mr. Ning Xinran	308.61	0.83
Shanghai Keluopu	308.61	0.83
Mr. Wang Bin	154.30	0.41
Ms. Hua	57.09	0.15
Mr. Dong Mingyan	37.03	0.10
Yiju Liuhe (Note 2)	2,904.48	7.81
Liuju Liuhe (Note 2)	689.08	1.85
Tahoe Growth II	172.27	0.46
Tahoe Lande	430.68	1.16
Donghe Huaming	308.61	0.83
	37,211.47	100.00

(x) *Equity transfer in October 2020*

Shareholder	Number of Shares	Approximate equity interest
		(%)
Mr. Zuo	19,740,105	43.86
Ms. Ren	628,838	1.40
JD Technology	7,463,958	16.59
Tahoe Growth	569,780	1.27
Mr. Hua Yong	1,406,230	3.13
Mr. Qiu	4,037,978	8.97
Mr. Ning Xinran	373,198	0.83
Shanghai Keluopu	373,198	0.83
Mr. Wang Bin	186,599	0.41
Ms. Hua	69,042	0.15
Yiju Liuhe (Note 2)	3,512,401	7.81
Liuju Liuhe (Note 2)	833,310	1.85

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	Number of Shares	Approximate equity interest (%)
Tahoe Growth II	208,327	0.46
Tahoe Lande	520,819	1.16
Mr. Cai Yitao	220,751	0.49
Mr. Chen Zhixin	85,848	0.19
Mr. Chu Xiaogang	367,919	0.82
Datong Qikai	171,696	0.38
Mr. Fan Shebin	539,615	1.20
Ms. Gong Juhui	122,640	0.27
Mr. Gu Guomin	73,584	0.16
Suzhou Guofa No. 8	735,838	1.63
Mr. Li Zhicong	98,112	0.22
Ms. Lu Fen	122,640	0.27
Ms. Mao Sipian	367,919	0.82
Mr. Shao Zhenkai	490,559	1.09
Ms. Wang Liping	24,528	0.06
Mr. Yang Xiaoning	49,056	0.11
Mr. Yu Fangbiao	294,335	0.65
Mr. Zhong Weiwei	367,919	0.82
Ms. Li Xuemei	943,258	2.10
	45,000,000	100.00

(xi) *Series D Investment (Note 1)*

Shareholder	Number of Shares	Approximate equity interest (%)
Mr. Zuo	19,740,105	43.58
Ms. Ren	628,838	1.39
JD Technology	7,463,958	16.48
Tahoe Growth	569,780	1.26
Mr. Hua Yong	1,406,230	3.11
Mr. Qiu	4,037,978	8.91
Mr. Ning Xinran	373,198	0.82
Shanghai Keluopu	373,198	0.82
Mr. Wang Bin	186,599	0.41
Ms. Hua	69,042	0.15
Yiju Liuhe (Note 2)	3,512,401	7.75
Liuju Liuhe (Note 2)	833,310	1.84
Tahoe Growth II	208,327	0.46
Tahoe Lande	520,819	1.15

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	Number of Shares	Approximate equity interest (%)
Mr. Cai Yitao	220,751	0.49
Mr. Chen Zhixin	85,848	0.19
Mr. Chu Xiaogang	367,919	0.81
Datong Qikai	171,696	0.38
Mr. Fan Shebin	539,615	1.19
Ms. Gong Juhui	122,640	0.27
Mr. Gu Guomin	73,584	0.16
Suzhou Guofa No. 8	735,838	1.63
Mr. Li Zhicong	98,112	0.22
Ms. Lu Fen	122,640	0.27
Ms. Mao Sipian	367,919	0.81
Mr. Shao Zhenkai	490,559	1.08
Ms. Wang Liping	24,528	0.06
Mr. Yang Xiaoning	49,056	0.11
Mr. Yu Fangbiao	294,335	0.65
Mr. Zhong Weiwei	367,919	0.81
Ms. Li Xuemei	943,258	2.08
ABC Investment	300,000	0.66
	45,300,000	100.00

(xii) Equity transfer in July 2023

Shareholder	Number of Shares	Approximate equity interest (%)
Mr. Zuo	19,744,192	43.59
Ms. Ren	628,838	1.39
JD Technology	7,463,958	16.48
Mr. Zhou Lijun	943,258	2.08
Tahoe Growth	569,780	1.26
Mr. Hua Yong	1,406,230	3.11
Mr. Qiu	4,037,978	8.91
Shanghai Keluopu	373,198	0.82
Mr. Wang Bin	186,599	0.41
Ms. Hua	69,042	0.15
Yiju Liuhe (Note 2)	3,512,401	7.75
Liuju Liuhe (Note 2)	833,310	1.84
Tahoe Growth II	208,327	0.46
Tahoe Lande	520,819	1.15
Mr. Cai Yitao	220,751	0.49

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	Number of Shares	Approximate equity interest (%)
Mr. Chen Zhixin	85,848	0.19
Mr. Chu Xiaogang	367,919	0.81
Datong Qikai	171,696	0.38
Mr. Fan Shebin	539,615	1.19
Ms. Gong Juhui	122,640	0.27
Mr. Gu Guomin	73,584	0.16
Suzhou Guofa No. 8	735,838	1.63
Mr. Li Zhicong	98,112	0.22
Ms. Lu Fen	122,640	0.27
Ms. Mao Sipian	367,919	0.81
Mr. Shao Zhenkai	490,559	1.08
Ms. Wang Liping	24,528	0.06
Mr. Yang Xiaoning	49,056	0.11
Mr. Yu Fangbiao	294,335	0.65
Mr. Zhong Weiwei	367,919	0.81
ABC Investment	300,000	0.66
China-Singapore Ventures	369,111	0.81
	45,300,000	100.00

Notes:

- (1) The approximate registered capital contribution in respect of Series A Investment, Series B Investment and Series C Investment represents the approximate amount allocated from the total consideration paid by our [REDACTED] Investors and recognized as the registered capital contribution in our Company, whereas the number of Shares in respect of Series D Investment represents the number of Shares corresponding to the approximate amount allocated from the total consideration paid by ABC Investment and recognized as the registered capital contribution in our Company. The remaining amount of consideration was recorded as our Company’s capital reserve. For details, please refer to the paragraph headed “Major corporate developments of our Company” in this section.
- (2) Each of Yiju Liuhe and Liuju Liuhe is an employee shareholding platform of our Company and thus not a [REDACTED] Investor.
- (3) In addition to the above [REDACTED] Investments, our Company has undergone a series of corporate developments including equity transfers and capital injections which involved Mr. Zuo and/or the then Shareholder(s) who are not our [REDACTED] Investors. The tables above only demonstrate the shareholding movement after completion of each [REDACTED] Investment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Principal terms of the [REDACTED] Investments

Set forth below is a summary of the details of the [REDACTED] Investments:

[REDACTED] Out of the [REDACTED] Investments, our Company received proceeds from capital injections, namely Series A Investment, Series B Investment, Series C Investment and Series D Investment, which amounted to approximately RMB277.00 million. As of the Latest Practicable Date, all of the [REDACTED] from the [REDACTED] Investments received by our Company have been utilized for the development and operation of our business, including but not limited to R&D activities, recruiting experienced employees and general working capital.

**Strategic benefits of the
[REDACTED] Investors
brought to our Company**

Our Group was of the view that we could benefit from the additional funds provided by our [REDACTED] Investors for our R&D activities and daily operation, as well as the insights for industry, the knowledge and experience of our [REDACTED] Investors. The investments from our [REDACTED] Investors demonstrated their confidence in our Group’s operation and capabilities and served as an endorsement of our Group’s performance and prospect. Also, our [REDACTED] Investors include experienced investors and investment funds in the areas of technology industry, who can share their insights on business strategies and provide professional advice on our Group’s operation.

Lock-up period

Pursuant to the applicable PRC laws, all Shares issued by our Company prior to the [REDACTED] (including those held by our [REDACTED] Investors) are subject to transfer restriction for a period of one year from the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special rights granted to our [REDACTED] Investors

Pursuant to the respective shareholders’ agreements and capital increase agreements (including the supplemental agreements) entered into between our Company and our [REDACTED] Investors, our [REDACTED] Investors were granted certain customary special rights, including but not limited to divestment rights, rights of first refusal, tag-along rights, exclusivity rights, information rights and anti-dilution rights (as the case may be). Save for redemption rights granted to China-Singapore Ventures, none of the other [REDACTED] Investors is entitled to any special right under the [REDACTED] Investments which would survive upon [REDACTED].

The redemption rights of the China-Singapore Ventures shall be terminated before the first filing of the [REDACTED] application by our Company with the Stock Exchange, and shall resume to be exercisable upon the earliest of (i) the [REDACTED] application being voluntarily withdrawn, returned in writing, revoked, or not approved by the Stock Exchange for any reason; or (ii) if the [REDACTED] of the Shares does not take place on the Stock Exchange or any other securities exchange approved by China-Singapore Ventures by June 30, 2024. Considering the redemption rights granted to China-Singapore Ventures have been terminated before the first filing of the [REDACTED] application by our Company with the Stock Exchange and may only resume if the [REDACTED] does not take place, the aforesaid arrangements comply with paragraph 13 of Chapter 4.2 ([REDACTED] Investments) of the Guide.

Save as disclosed above, there are no other side agreements, understandings, arrangements or undertakings, verbal or in writing, between our Company (including any of our subsidiaries, their directors, supervisors, shareholders, senior management or any of their respective associates) and each of our [REDACTED] Investors (including their beneficial owners and directors), in relation to their investments in our Group, that are subsisting.

Background of our principal [REDACTED] Investors

Below sets out the background information of our principal [REDACTED] Investors based on information available to us. Our principal [REDACTED] Investors include (i) individual investors that have made meaningful investment in our Company and each holding more than 1% of our total issued share capital immediately prior to the [REDACTED]; and (ii) corporate [REDACTED] Investors.

(a) JD Technology

JD Technology was established in the PRC on September 5, 2012 and is primarily engaged in the provision of technology products and solutions to its business partners including enterprises, financial institutions and government. As of the Latest Practicable Date, JD Technology was a majority-controlled company (as defined in the Listing Rules) of Mr. Richard Qiangdong Liu (劉強東) (“**Mr. Richard Liu**”) where Mr. Richard Liu was entitled to exercise majority control over JD Technology through his direct and indirect interest in JD Technology. JD Technology is also one of our substantial Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(b) Suzhou Guofa No. 8

Suzhou Guofa No. 8 is a limited partnership established in the PRC on July 23, 2019 with a registered capital of RMB30.02 million and an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB30.02 million. Suzhou Guofa No. 8 primarily focuses on investment opportunities in high-tech industries and venture capital. As of the Latest Practicable Date, Suzhou Guofa No. 8 had four limited partners, with the largest limited partner holding approximately 46.64% partnership interest in Suzhou Guofa No. 8 and one general partner and fund manager, Suzhou International Development Asset Management Co., Ltd. (蘇州國發資產管理有限公司) (“**Suzhou International Development**”), which held approximately 0.07% partnership interest in Suzhou Guofa No. 8. Suzhou International Development was ultimately wholly-owned by Suzhou Finance Bureau (蘇州市財政局).

(c) Tahoe Growth

Tahoe Growth is a limited partnership established in the PRC on November 5, 2014 with a registered capital of RMB63.00 million and an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB63.00 million. Tahoe Growth primarily focuses on investment opportunities in venture capital with major industry experience in technology, media, and telecommunications (TMT) and medical health. As of the Latest Practicable Date, the partnership structure of Tahoe Growth was as follows:

Name of partner	Approximate partnership interest
General partner	
Tahoe Venture Capital	8.25%
Limited partners	
Mr. Niu Shengjie (鈕晟傑)	28.27%
Suzhou Gelin Investment Management Co., Ltd. (蘇州格林投資管理有限公司)	23.81%
Suzhou Debt and Fund Management Center (蘇州市債務和基金管理中心) (“ Suzhou Debt and Fund ”) (formerly known as Suzhou Government Guidance Fund Management Center (蘇州市政府引導基金管理中心))	19.05%
Ningbo Xinhui Enterprise Management Partnership (Limited Partnership) (寧波鑫輝企業管理合夥企業 (有限合夥))	10.10%
Mr. Xiong Ju (熊炬)	6.48%
Suzhou Yuanhua Chuangxing Investment Management Co., Ltd. (蘇州源華創興投資管理有限公司)	4.04%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Tahoe Venture Capital (the general partner of Tahoe Growth, Tahoe Lande and Tahoe Growth II) was in turn owned as to (i) 58.00% by our Supervisor, Mr. Yu Gang, as its general partner; (ii) 22.00% by Mr. Zhang Xiaoliang (張曉亮) (an independent third party of our Company) as its general partner; and (iii) 20.00% by Mr. Lu Kai (盧凱) (an independent third party of our Company) as its general partner. For information on Mr. Yu Gang, see “Directors, Supervisors and Senior Management”.

(d) Tahoe Lande

Tahoe Lande is a limited partnership established in the PRC on December 21, 2016 with a registered capital of RMB30.00 million and an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB30.00 million. Tahoe Lande is a special-purpose vehicle established to invest in our Company. As of the Latest Practicable Date, Tahoe Lande has only invested in our Company and was interested in approximately 1.15% equity interest in our Company. The partnership structure of Tahoe Lande was as follows:

Name of partner	Approximate partnership interest
General partner	
Tahoe Venture Capital ⁽¹⁾	1.67%
Limited partners	
Ningbo Xinhun Enterprise Management Partnership (Limited Partnership) (寧波鑫暉企業管理合夥企業 (有限合夥)) (“Ningbo Xinhun”)	43.33%
Mr. Zhang Xiaomin (張曉旻)	28.33%
Shihezi Qianwei Equity Investment Partnership (Limited Partnership) (石河子市乾靄股權投資合夥企業 (有限合夥)) (“Shihezi Qianwei”) ⁽²⁾	20.00%
Ms. Zhang Kechun (張可純)	3.33%
Mr. Wu Shuheng (吳舒恆)	3.33%

Notes:

- (1) The partnership structure of Tahoe Venture Capital is set out in the paragraph headed “Background of our principal [REDACTED] Investors – (c) Tahoe Growth” above.
- (2) As of the Latest Practicable Date, our executive Directors Mr. Zuo and Mr. Lin Shan were interested in approximately 5.51% and 9.19% partnership interest in Shihezi Qianwei as its limited partner.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(e) *Tahoe Growth II*

Tahoe Growth II is a limited partnership established in the PRC on January 22, 2016 with a registered capital of RMB49.20 million and an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB49.20 million. Tahoe Growth II primarily focuses on investment opportunities in venture capital with major industry experience in TMT and medical health. As of the Latest Practicable Date, the partnership structure of Tahoe Growth II was as follows:

Name of partner	Approximate partnership interest
General partner	
Tahoe Venture Capital ⁽¹⁾	8.55%
Limited partners	
Ms. Xue Jianfang (薛建芳)	28.97%
Suzhou Debt and Fund	16.55%
Suzhou Chuangke Angel Investment Management Co., Ltd. (蘇州市創客天使投資管理有限公司)	13.79%
Ningbo Xinhun	9.92%
Mr. Zhang Xiaomin (張曉旻)	8.93%
Mr. Xu Zhengjiang (許正江)	3.97%
Ms. Xiao Xin (肖新)	3.97%
Suzhou Yuanhua Chuangxing Investment Management Co., Ltd. (蘇州源華創興投資管理有限公司)	3.97%
Ms. Chen Qifang (陳琦芳)	1.38%

Note:

- (1) The partnership structure of Tahoe Venture Capital is set out in the paragraph headed “Background of our principal [REDACTED] Investors – (c) Tahoe Growth” above.

(f) *Shanghai Keluopu*

Shanghai Keluopu is a limited partnership established in the PRC on July 8, 2014 with a registered capital of RMB10.00 million and an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB68.50 million. Shanghai Keluopu primarily focuses on investment opportunities in leasing and business services, scientific research and technical services. As of the Latest Practicable Date, Shanghai Keluopu was owned as to 70.00% by its limited partner Shanghai Wenxin Business Consulting Center (Limited Partnership) (上海汶欣商務諮詢中心(有限合夥)) and 30.00% by its general partner Shanghai Puyuan Asset Management Center (Limited Partnership) (上海璞源資產管理中心(有限合夥)) (“**Shanghai Puyuan**”). Shanghai Puyuan was in turn owned as to 99.00% by its limited partner Mr. Wang Yi (王一) and 1.00% by its general partner Shanghai Pushui Investment Management Co., Ltd. (上海璞水投資管理有限公司) (“**Shanghai Pushui**”), where Shanghai Pushui was wholly owned by Mr. Wang Yi.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(g) Datong Qikai

Datong Qikai is a company established in the PRC with limited liability on February 20, 2017 with a registered capital of RMB20.00 million. Datong Qikai is principally engaged in the provision of investment management and equity investment services and primarily focuses on investment opportunities in the internet industry with an aggregate amount of investment under management of approximately RMB200.00 million. As of the Latest Practicable Date, Datong Qikai was owned as to (i) 40.00% by Zhejiang Datong Holding Group Co., Ltd. (浙江大通控股集團有限公司) (“**Zhejiang Datong**”); (ii) 30.00% by Ms. Cao Tian (曹田); and (iii) 30.00% by Mr. Jia Weikang (賈偉康). Zhejiang Datong was in turn wholly-owned by Tongxiang Dayang Industrial Co., Ltd. (桐鄉市大洋實業股份有限公司), which was in turn owned as to (i) 22.25% by Mr. Wu Rongming (吳榮明); (ii) 22.25% by Ms. Jiang Ruming (姜如明); (iii) 22.25% by Mr. Zhu Xiaozhong (朱孝忠); (iv) 22.25% by Ms. Sheng Xuehua (盛雪華); (v) 8.00% by Ms. Zhu Qinge (朱慶娥); and (vi) 3.00% by Ms. Jin Juanhua (金娟華).

(h) ABC Investment

ABC Investment is a company established in the PRC with limited liability on August 1, 2017 with a registered capital of RMB20.00 billion. ABC Investment is principally engaged in the marketisation and legalisation of debt-to-equity and relevant supporting services as well as fundraising from qualified social investors to support the marketisation of debt-to-equity, issuance of financial bonds and financial advisory and consulting services related to debt-to-equity business, etc. As of the Latest Practicable Date, ABC Investment is wholly owned by Agricultural Bank of China Limited (中國農業銀行股份有限公司), a joint stock limited company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1288), and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601288), respectively.

(i) China-Singapore Ventures

China-Singapore Ventures is a company established in the PRC with limited liability on November 28, 2001 with a registered capital of RMB1.73 billion. China-Singapore Ventures is principally engaged in the investment of new and high-tech enterprises, as well as the provision of mergers and acquisitions, reorganization and management consulting services. As of the Latest Practicable Date, China-Singapore Ventures was wholly-owned by Suzhou Oriza Holdings Corporation (蘇州元禾控股股份有限公司), which was in turn owned as to (i) 59.98% by Suzhou Industrial Park Economic Development Co., Ltd. (蘇州工業園區經濟發展有限公司) (“**Suzhou Economic Development**”); (ii) 20.02% by Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司) (“**Jiangsu Guoxin**”); and (iii) 20.00% by Suzhou Industrial Park State-owned Capital Investment and Operation Holdings Co., Ltd. (蘇州工業園區國有資本投資運營控股有限公司) (“**Suzhou Capital Investment and Operation**”). Suzhou Economic Development was owned as to 90% by Suzhou Industrial Park Management Committee (蘇州工業園區管理委員會) and 10% by Jiangsu Provincial Department of Finance

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(江蘇省財政廳). Jiangsu Guoxin was wholly-owned by Jiangsu Provincial People’s Government (江蘇省人民政府). Suzhou Capital Investment and Operation was owned as to 90% by Suzhou Industrial Park Management Committee and 10% by Jiangsu Provincial Department of Finance.

(j) Mr. Qiu

Mr. Qiu is our non-executive Director. For information on Mr. Qiu, see “Directors, Supervisors and Senior Management”.

(k) Mr. Hua Yong

Mr. Hua Yong is a friend of Mr. Zuo (our chairman, chief executive officer and executive Director) and he became acquainted with Mr. Zuo on a social occasion. Mr. Hua Yong has over 18 years of experience in technology industry. Mr. Hua Yong is the founder, chairman, general manager and ultimate beneficial owner of Hangzhou Shunwang Technology Co., Ltd. (杭州順網科技股份有限公司), a company principally engaged in the provision of computer application services, whose shares are listed on the Shenzhen Stock Exchange (stock code: 300113). He is also (i) the executive director of (a) Ningbo Shunwangqiang Holding Co., Ltd. (寧波順網強控股有限公司), (b) Zhejiang Quanshichen Enterprise Management Co., Ltd. (浙江全世辰企業管理有限公司), (c) Hangzhou Zihui Property Co., Ltd. (杭州資輝置業有限公司), (d) Hangzhou Online Game Town Tourism Investment Co., Ltd. (杭州網遊小鎮旅遊投資有限公司) and (e) Zheli Digital Interactive Entertainment Base (Hangzhou) Commercial Operation Management Co., Ltd. (浙里數字互娛基地(杭州)商業運營管理有限公司); (ii) the chairman of Hangzhou Shunwangsheng Investment Co., Ltd. (杭州順網昇投資有限公司) and Jiangsu Guorui Xinan Technology Co., Ltd. (江蘇國瑞信安科技有限公司); (iii) the director of Shanghai Wangyu Information Technology Co., Ltd. (上海網魚信息科技有限公司) and Shanghai Hanwei Xinheng Exhibition Co., Ltd. (上海漢威信恒展覽有限公司); and (iv) the executive director and general manager of Zhejiang Shunwang Holdings Co., Ltd. (浙江順網控股有限公司) and Hangzhou Zihui Commercial Management Co., Ltd. (杭州資輝商業管理有限公司).

(l) Mr. Zhou Lijun

Mr. Zhou Lijun was introduced to us by a mutual acquaintance. Mr. Zhou Lijun has over four years of experience in administrative management. He is currently the head of administration of China Overseas Property Management Co., Ltd. (中海物業管理有限公司), a company principally engaged in the provision of property management services.

(m) Ms. Ren

Ms. Ren is our Supervisor. For information on Ms. Ren, see “Directors, Supervisors and Senior Management”.

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(n) Mr. Fan Shebin

Mr. Fan Shebin was introduced to us by a mutual acquaintance. Mr. Fan is an experienced investor with over 10 years of experience. Mr. Fan Shebin is currently (i) the supervisor of (a) Guangzhou Aishun Labour Service Co., Ltd. (廣州愛舜勞務服務有限公司), (b) Beihai Chenshuo Asset Management Co., Ltd. (北海晨碩資產管理有限公司), (c) Beihai Fujun Investment Management Co., Ltd. (北海福浚投資管理有限公司), (d) Beijing Jiayuqi Technology Co., Ltd. (北京家瑜琪科技有限公司), (e) Beijing Yizhiyu Trading Co., Ltd. (北京易智昱商貿有限公司) and (f) Beijing Fuan Chenyu Commercial Management Co., Ltd. (北京富安辰宇商業管理有限公司); (ii) the manager and executive director of Shenghua Rongxi (Beijing) Investment Fund Management Co., Ltd. (盛華融熙(北京)投資基金管理有限公司) and Handan Jinyida Property Service Co., Ltd. (邯鄲市金易達物業服務有限公司); (iii) the executive director of Hebei Jinxiang Real Estate Development Co., Ltd. (河北錦祥房地產開發有限公司); and (iv) the general manager and director of Beijing Shunxiang Home Hotel Co., Ltd. (北京順祥家園酒店有限公司).

(o) Mr. Chu Xiaogang

Mr. Chu Xiaogang is a friend of Mr. Zuo (our chairman, chief executive officer and executive Director) and he became acquainted with Mr. Zuo on a social occasion. Mr. Chu Xiaogang has over six years of experience in export and import trading. He is currently the director of Zhejiang Xibin Import & Export Co., Ltd. (浙江熙彬進出口有限公司).

To the best knowledge and belief of our Directors, each of our [REDACTED] Investors decided to invest in our Group in view of the prospects and potential growth of our Group and the industry which we operate in. To the best knowledge and belief of our Directors after making reasonable enquiries, other than JD Technology, Tahoe Growth, Tahoe Lande, Tahoe Growth II, Mr. Qiu, Ms. Ren and Ms. Hua, each of our [REDACTED] Investors, its general partners and limited partners (as applicable) and its respective ultimate beneficial owners is an Independent Third Party.

Sole Sponsor’s Confirmation

On the basis that (i) the consideration for the [REDACTED] Investments was settled at least 28 clear days prior to the date of the first submission of our Company’s [REDACTED] to the Stock Exchange; and (ii) the termination or cessation of special rights granted to the [REDACTED] Investors as disclosed in “Special rights granted to our [REDACTED] Investors” above, the Sole Sponsor is of the view that the [REDACTED] Investments are in compliance with Chapter 4.2 ([REDACTED] Investments) of the Guide.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

As of the Latest Practicable Date, our business operations have been carried out by our Company, our six subsidiaries in the PRC and one subsidiary in Hong Kong. Set out below are the major corporate developments including major changes in the shareholding structure and the registered capital of our subsidiaries during the Track Record Period:

(a) Tianju Renhe

Tianju Renhe (formerly known as Zhuhai Alitaoka Network Technology Co., Ltd. (珠海阿里淘卡網絡技術有限公司)) was established in the PRC as a limited liability company on September 7, 2009 with an initial registered capital of RMB100,000. As of the date of its establishment, Tianju Renhe was owned as to 50.00% by Mr. Tian Congshi (田從石) and 50.00% by Ms. Fang Min (方敏), both being Independent Third Parties. Subsequent to a series of equity transfers, Tianju Renhe became wholly owned by Suzhou Jiepai Information Technology Co., Ltd. (蘇州捷派信息技術有限公司) (“**Jiepai IT**”), an Independent Third Party. Pursuant to the equity transfer agreement dated September 19, 2019 entered into between Jiepai IT and our Company, our Company acquired the entire equity interest of Tianju Renhe from Jiepai IT at a consideration of RMB100,000, which was determined based on arm’s length negotiation with reference to the nominal value of the shares of Tianju Renhe, and was fully settled in September 2019. Upon completion of such acquisition, Tianju Renhe became our wholly-owned subsidiary. Tianju Renhe has increased its initial registered capital from RMB100,000 to RMB2.10 million in March 2016; and subsequently increased its registered capital to RMB10.00 million in April 2017.

As of the Latest Practicable Date, Tianju Renhe is principally engaged in the provision of top-up services in the PRC, including calls and data top-ups.

(b) Tianju Xinghe

Tianju Xinghe was established in the PRC on December 3, 2019 with an initial registered capital of RMB5.00 million. Since its establishment, Tianju Xinghe has been indirectly wholly-owned by our Company and there has been no change in its registered capital and ownership structure.

As of the Latest Practicable Date, Tianju Xinghe is principally engaged in the provision of top-up services in the PRC, including calls and data top-ups.

(c) Juli Wanhe

Juli Wanhe was established in the PRC on April 22, 2015 with an initial registered capital of RMB50,000. Since its establishment, Juli Wanhe has been directly wholly-owned by our Company and there has been no change in its registered capital and ownership structure.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, Juli Wanhe had not commenced any substantive business.

(d) Beijing Sidike

Beijing Sidike was established in the PRC on January 8, 2015 with an initial registered capital of approximately RMB1.11 million. As of the Latest Practicable Date, Beijing Sidike was owned as to (i) 85.50% by our Company; (ii) 10.00% by Tahoe Growth; and (iii) 4.50% by Mr. Ding Yang (丁揚), who is the director and general manager of Beijing Sidike. As of the Latest Practicable Date, Tahoe Growth was interested in approximately 1.26% equity interest in our Company. See “– Background of our principal [REDACTED] Investors” above for the shareholding structure of Tahoe Growth. Since the establishment of Beijing Sidike, there has been no change in its registered capital and ownership structure.

As of the Latest Practicable Date, Beijing Sidike had not commenced any substantive business.

(e) Zhonghui Juhe

Zhonghui Juhe was established in the PRC on November 16, 2016 with an initial registered capital of RMB5.00 million. Since the establishment of Zhonghui Juhe, Zhonghui Juhe has undergone several equity transfers and there has been no change in its registered capital. As of the Latest Practicable Date, Zhonghui Juhe was owned as to (i) 60.00% by our Company; (ii) 20.00% by Suzhou Yuncai Zhongchuang Enterprise Management Co., Ltd. (蘇州雲彩眾創企業管理有限公司), which was in turn owned as to approximately (a) 98.33% by Mr. Xu Taiwei (徐泰偉) and (b) 1.67% by Ms. Li Na (李娜); (iii) 10.00% by Jiangsu Boyun Technology Co., Ltd. (江蘇博雲科技股份有限公司) (“**Jiangsu Boyun**”), which was in turn owned as to approximately (a) 19.52% by Mr. Hua Lei (花磊), (b) 0.47% by Mr. Zuo (our chairman, chief executive officer and executive Director) and (c) 80.01% by other 37 shareholders, amongst which no shareholder owned more than 8.00% equity interest in Jiangsu Boyun; and (iv) 10.00% by Kesheng Wireless (Suzhou) Co., Ltd. (科升無線(蘇州)股份有限公司), which was ultimately owned by Mr. Liu Xiaolei (劉曉雷) and Mr. Li Zhengzhi (李正直). Save for Jiangsu Boyun, each of the minority shareholders of Zhonghui Juhe is an Independent Third Party.

As of the Latest Practicable Date, Zhonghui Juhe is principally engaged in the provision of big data services and information technology solutions.

(f) Wuhan Jushunhe

Wuhan Jushunhe was established in the PRC on August 9, 2021 with an initial registered capital of RMB3.00 million. As of the Latest Practicable Date, Wuhan Jushunhe was owned as to (i) 51.00% by our Company and (ii) 49.00% by Mr. Wang Jiarong (王佳榮), who is a former employee of our Company and current director of Wuhan Jushunhe. Upon the establishment of Wuhan Jushunhe, Wuhan Jushunhe was owned as to (i) 51.00% by our Company; (ii) 46.00%

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by Mr. Chen Wei (陳威) and (iii) 3.00% by Mr. Wang Jiarong. In August 2022, Mr. Chen Wei transferred his 46.00% equity interest in Wuhan Jushunhe to Mr. Wang Jiarong. Since the establishment of Wuhan Jushunhe, there has been no change in its registered capital.

As of the Latest Practicable Date, Wuhan Jushunhe had not commenced any substantive business.

(g) JuheData HK

JuheData HK was incorporated in Hong Kong with limited liability on January 7, 2016 with an initial registered capital of USD1.00 million. Since the date of its incorporation, JuheData HK has been a direct wholly-owned subsidiary of our Company and there has been no change in its registered capital and ownership structure.

As of the Latest Practicable Date, JuheData HK had not commenced any substantive business.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and as of the Latest Practicable Date, our Group did not have any major acquisitions, disposals or mergers.

PREVIOUS LISTING ATTEMPT

We had historically explored listing opportunities in the PRC (the “**Previous Listing Attempts**”).

In November 2018, we made an application with the ChiNext Board of the Shenzhen Stock Exchange (the “**ChiNext Board**”) to explore a potential listing on the ChiNext Board (the “**ChiNext Board Application**”) as we believed that a listing on the A-share market would bring us (i) funds for our future business expansion, (ii) more financing opportunities to optimize our capital structure, and (iii) enhancement of our brand awareness. However, having considered the introduction of the registration-based IPO system introduced on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market**”), we eventually withdrew the ChiNext Board Application in 2019 and entered into guidance agreements for the proposed application for listing on the STAR Market (the “**STAR Market Application**”) as our Directors were of the view that the STAR Market Application may be more beneficial to our Group.

We attempted to submit the STAR Market Application in September 2022, but such application had not been accepted nor acknowledged by the Shanghai Stock Exchange as it recommended us to update our audited financials before making the submission since our audited financial information would expire within one week after the submission.

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During the preparation of our updated financial information, we determined that an application for [REDACTED] on the Stock Exchange may better suit our needs considering the timetable uncertainties for an A-share listing onshore and the specific requirements applicable to listing on the STAR Market that may render additional time for the vetting process. As the STAR Market had many listing applicants, we were concerned that the numerous applications may prolong the regulator’s vetting process, thereby resulting in timetable uncertainties and may affect our chances to capitalize on a window of opportunity. Furthermore, we were also concerned whether additional requirements or measures would be initiated by regulators during the vetting process. On the other hand, since the Hong Kong market has a comparatively lower number of listing applicants, it would enable us to have a better expectation and certainty of the overall listing timetable. The Hong Kong market also has a proven track record of attracting innovative technology companies for listing. In light of the above, we considered that an application for [REDACTED] on the Stock Exchange may better suit the needs of our Group and the STAR Market Application was aborted in February 2023.

Our Directors confirm, and the Sole Sponsor concur based on its due diligence work conducted and our Directors’ confirmation, that to the best of their respective knowledge: (i) since the ChiNext Board Application was terminated at an early stage and the STAR Market Application had not been accepted nor acknowledged by the Shanghai Stock Exchange, our Company had not received any material queries in respect of the Previous Listing Attempts from the relevant regulators; (ii) there were no disagreements between our Group and the relevant professional parties engaged for the Previous Listing Attempts; and (iii) they are not aware of any other matters in relation to the Previous Listing Attempts of a material nature that would affect the suitability of our Company to be [REDACTED] and should be brought to the attention of the Stock Exchange and potential investors.

PUBLIC FLOAT

Upon [REDACTED], the H Shares directly held by (i) Mr. Zuo; (ii) JD Technology; (iii) Mr. Qiu; (iv) Yiju Liuhe; (v) Liuju Liuhe; (vi) Ms. Ren; (vii) Tahoe Growth; (viii) Tahoe Lande; (ix) Tahoe Growth II; and (x) Ms. Hua, being core connected persons of our Company, will not be counted towards the public float. See “Background of our principal [REDACTED] Investors” in this section for the background of JD Technology, Tahoe Growth, Tahoe Lande and Tahoe Growth II. For further information of Yiju Liuhe and Liuju Liuhe, see “Employee Shareholding Platforms” in this section. Except as stated above, all the H Shares held by other Shareholders upon [REDACTED] will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

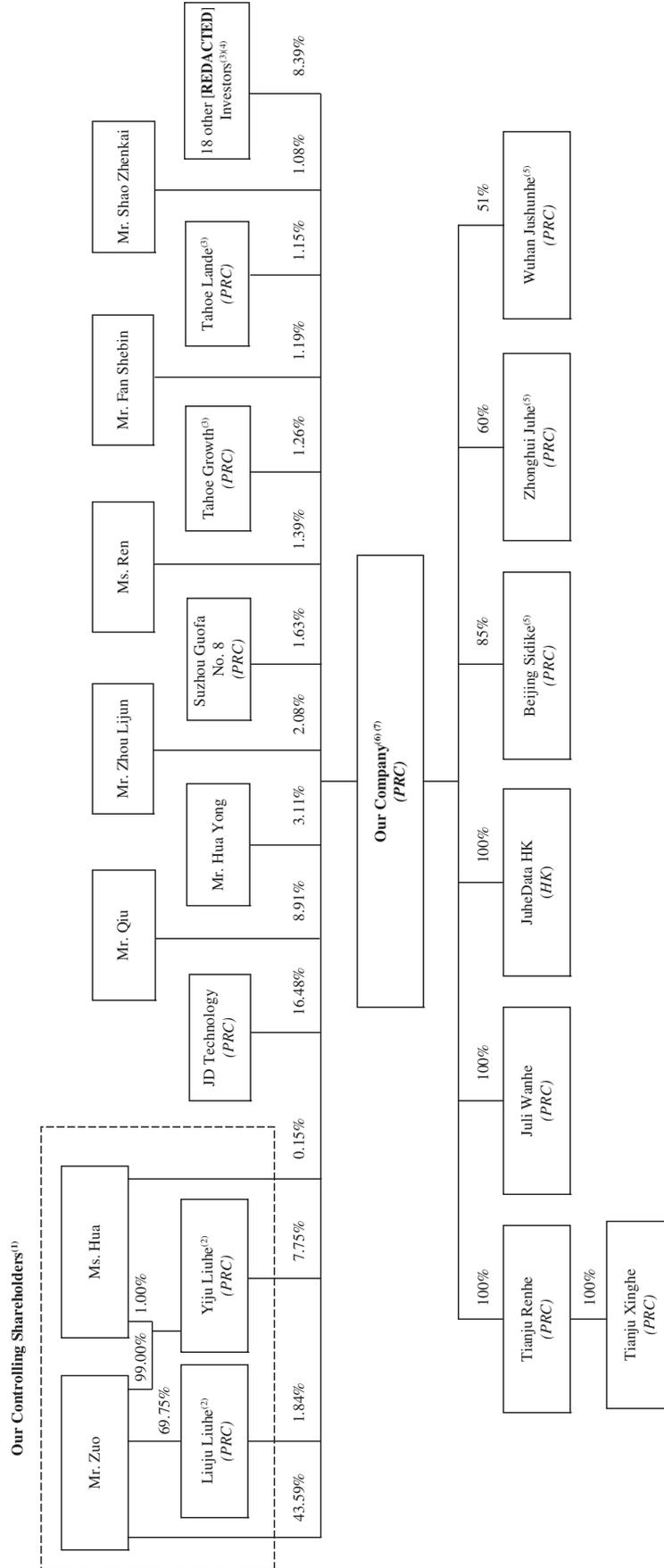
Immediately upon completion of the [REDACTED], assuming (i) [REDACTED] H Shares are [REDACTED] to [REDACTED] Shareholders in the [REDACTED]; and (ii) the conversion of [REDACTED] Unlisted Shares into H Shares as applied in the “Full Circulation”, the total number of H Shares of our Company held by the [REDACTED] represents approximately [REDACTED] of the total number of issued Shares of our Company. Therefore, our Company will be able to meet the minimum [REDACTED] requirement under Rule 8.08 of the Listing Rules.

Pursuant to the applicable PRC laws, all of the [REDACTED] Shares in issue prior to the [REDACTED] (including Shares held by our [REDACTED] Investors) are subject to a lock-up period of one year from the [REDACTED]. Therefore, immediately following the [REDACTED], none of the existing Shareholders may dispose of any H Shares held by them.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE COMPLETION OF THE [REDACTED]

The chart below illustrates the corporate structure of our Group immediately prior to the completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

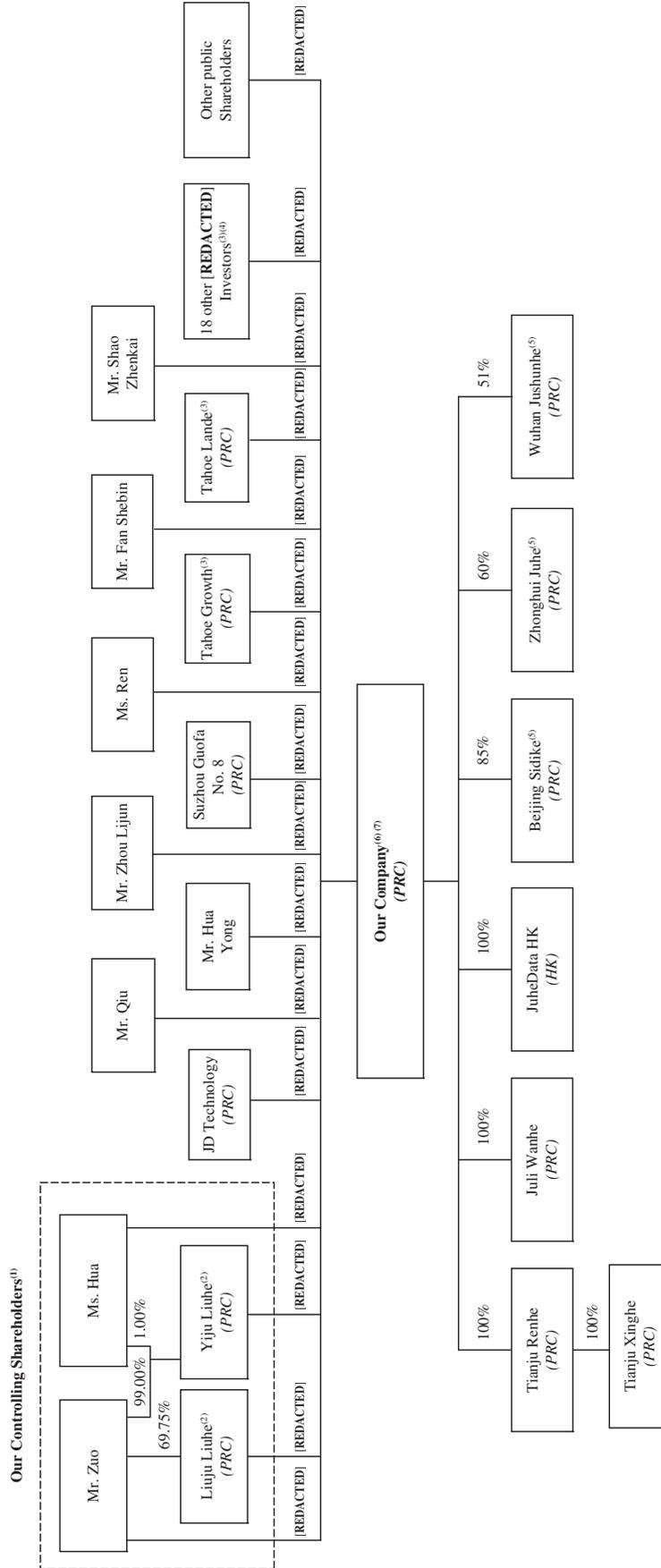
Notes:

- (1) As (i) Ms. Hua is the spouse of Mr. Zuo; and (ii) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe, Ms. Hua, Mr. Zuo, Yiju Liuhe and Liuju Liuhe are considered to be a group of Controlling Shareholders, who collectively held approximately 53.33% of our total issued Shares as of the Latest Practicable Date. The remaining limited partners of Liuju Liuhe, being former and current employees of our Group, are not regarded as part of the group of Controlling Shareholders.
- (2) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe, both being the employee shareholding platforms of our Company. Mr. Zuo is interested in 69.75% partnership interest in Liuju Liuhe. The remaining partnership interest (i.e. 30.25%) is held by 34 former and current employees of the Group where each of these individuals is interested in no more than 1.88% partnership interest in Liuju Liuhe. Mr. Zuo is also interested in 99.00% partnership interest in Yiju Liuhe. For further details, see “Employee Shareholding Platforms” in this section above.
- (3) Tahoe Venture Capital is the general partner of Tahoe Growth, Tahoe Lande and Tahoe Growth II (all being our [REDACTED] Investors) where Mr. Yu Gang (our Supervisor) is interested in 58.00% partnership interest in Tahoe Venture Capital as its general partner.
- (4) The 18 other [REDACTED] Investors include Shanghai Keluopu, China-Singapore Ventures, Ms. Mao Sipian, Mr. Chu Xiaogang, Mr. Zhong Weiwei, ABC Investment, Mr. Yu Fangbiao, Mr. Cai Yitao, Tahoe Growth II, Mr. Wang Bin, Datong Qikai, Ms. Lu Fen, Ms. Gong Juhui, Mr. Li Zhicong, Mr. Chen Zhixin, Mr. Gu Guomin, Mr. Yang Xiaoning and Ms. Wang Liping, each holding approximately 0.82%, 0.81%, 0.81%, 0.81%, 0.81%, 0.66%, 0.65%, 0.49%, 0.41%, 0.38%, 0.27%, 0.22%, 0.19%, 0.16%, 0.11% and 0.06% of our total issued Shares immediately prior to completion of the [REDACTED], respectively.
- (5) For the identities of the minority shareholders of the non-wholly owned subsidiaries of our Company, see “Our Subsidiaries” in this section above.
- (6) During the Track Record Period, we operated Suzhou Tianju Daohe Technology Co., Ltd. (蘇州天聚道合科技有限公司) (“**Tianju Daohe**”), which was our indirect wholly-owned subsidiary. Tianju Daohe was principally engaged in the provision of top-up services in the PRC, including calls and data top-ups. Considering Tianju Renhe, Tianju Xinghe and Tianju Daohe are all engaged in the provision of top-up services, we eventually ceased the operation of Tianju Daohe as it is our strategy to focus resources on Tianju Renhe and Tianju Xinghe on the provision of such services and to minimize potential competition among similar business. Consequently, Tianju Daohe was dissolved on April 17, 2023. Our PRC Legal Advisors are not aware that Tianju Daohe had been involved in any material non-compliance incidents during the Track Record Period prior to its dissolution.
- (7) Our Company also operates a branch office in Beijing.
- (8) Subject to the completion of the relevant filings, all of the Unlisted Shares held by all existing Shareholders will be converted into H Shares under the “Full Circulation” upon [REDACTED]. For details, see “Share Capital – Conversion of [REDACTED] into H Shares”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE [REDACTED]

The chart below illustrates the corporate structure of our Group immediately following the completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) As (i) Ms. Hua is the spouse of Mr. Zuo; and (ii) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe, Ms. Hua, Mr. Zuo, Yiju Liuhe and Liuju Liuhe are considered to be a group of Controlling Shareholders, who will collectively hold approximately [REDACTED] of our total issued Shares immediately after the completion of the [REDACTED]. The remaining limited partners of Liuju Liuhe, being former and current employees of our Group, are not regarded as part of the group of Controlling Shareholders.
- (2) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe, both being the employee shareholding platforms of our Company. Mr. Zuo is interested in 69.75% partnership interest in Liuju Liuhe. The remaining partnership interest (i.e. 30.25%) is held by 34 former and current employees of the Group where each of these individuals is interested in no more than 1.88% partnership interest in Liuju Liuhe. Mr. Zuo is also interested in 99.00% partnership interest in Yiju Liuhe. For further details, see “Employee Shareholding Platforms” in this section above.
- (3) Tahoe Venture Capital is the general partner of Tahoe Growth, Tahoe Lande and Tahoe Growth II (all being our [REDACTED] Investors) where Mr. Yu Gang (our Supervisor) is interested in 58.00% partnership interest in Tahoe Venture Capital as its general partner.
- (4) The 18 other [REDACTED] Investors include Shanghai Kelluopu, China-Singapore Ventures, Ms. Mao Sipian, Mr. Chu Xiaogang, Mr. Zhong Weiwei, ABC Investment, Mr. Yu Fangbiao, Mr. Cai Yitao, Tahoe Growth II, Mr. Wang Bin, Datong Qikai, Ms. Lu Fen, Ms. Gong Juhui, Mr. Li Zhicong, Mr. Chen Zhixin, Mr. Gu Guomin, Mr. Yang Xiaoming and Ms. Wang Liping, each will hold approximately [REDACTED] and [REDACTED] of our total issued Shares immediately after the completion of the [REDACTED], respectively.
- (5) For the identities of the minority shareholders of the non-wholly owned subsidiaries of our Company, see “– Our Subsidiaries” above.
- (6) During the Track Record Period, we operated Suzhou Tianju Daohe Technology Co., Ltd. (蘇州天景道合科技有限公司) (“**Tianju Daohe**”), which was our indirect wholly-owned subsidiary. Tianju Daohe was principally engaged in the provision of top-up services in the PRC, including calls and data top-ups. Considering Tianju Renhe, Tianju Xinghe and Tianju Daohe are all engaged in the provision of top-up services, we eventually ceased the operations of Tianju Daohe as it is our strategy to focus resources on Tianju Renhe and Tianju Xinghe on the provision of such services and to minimize potential competition among the similar business. Consequently, Tianju Daohe was dissolved on April 17, 2023. Our PRC Legal Advisors are not aware that Tianju Daohe had been involved in any material non-compliance incidents during the Track Record Period prior to its dissolution.
- (7) Our Company also operates a branch office in Beijing.
- (8) Subject to the completion of the relevant filings, all of the Unlisted Shares held by all existing Shareholders will be converted into H Shares under the “Full Circulation” upon [REDACTED]. For details, see “Share Capital – Conversion of Unlisted Shares into H Shares”.

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OVERVIEW

We are an integrated API-enabled data exchange service provider in China. We provide standard API services and customized data management solutions. As the PRC digital economy continues to grow, our platform empowers organizations to securely connect and navigate data through APIs, unlocking the economic value of data. Additionally, we provide data management solutions, which are customized softwares comprising one or more of our products, including *APIMaster*, *DataArts*, *QuickBot*, *SmartShield* and *AnchorChain*. Data management solutions aim to achieve functions designated by customers that relate to data management, data governance, data application and data security. Our data management solutions are delivered on-premise or online. The integrated API-enabled data exchange service market and the industry-specific API-enabled data exchange service market together comprise the overall API-enabled data exchange service market, which itself is part of the API-enabled service market.

We are dedicated to eliminating data silos and offering online API services that span across multiple service types and scenarios. Our API product, API marketplace, matches requests and responses and facilitates exchange of data. These services have been widely applied in various vertical industries, such as internet services, software information services, and telecommunications. Since the launch of our product, API marketplace, in June 2011, we have developed over 770 proprietary APIs. In 2023, API marketplace handled over 120 billion API requests. Our customers include well-known enterprises such as Tencent, Alibaba, Baidu, NetEase, Meituan, China Mobile, China Unicom, China Telecom, and many other internet companies, app developers and individuals. As of December 31, 2023, API marketplace made available over 380 proprietary APIs. In 2021, 2022 and 2023, the retention rate of key customers of our API marketplace was 78.9%, 85.7% and 59.1%, respectively. The net dollar expansion rate of revenue from our API marketplace key customers in 2021, 2022 and 2023 was 136.4%, 139.1% and 217.3%, respectively.

We commenced providing data management solutions in June 2020, when our first data management solution was delivered and accepted by a customer. Leveraging our integrated API-enabled data exchange capabilities, we offer solutions that integrate API management, data governance, data application, data security, and privacy-preserving computation through our products, including *APIMaster*, *DataArts*, *QuickBot*, *SmartShield* and *AnchorChain*, which assist organizations in their digital transformation. Our customized, digitalized, and self-deployed data management solutions cater to a diverse range of customers, including those from government agencies, public utilities, manufacturing, finance, telecommunications, and various other industries. Our technologies eliminate data silos and cleanse data sets with heterogeneity, forming data that adheres to unified standards. From 2021 to 2023, the CAGR of the revenue attributable to our data management solutions was 23.1%.

Benefiting from our advanced technologies and service capabilities, we have gained recognition from our customers, resulting in rapid growth in revenue. In 2021, 2022 and 2023, our total revenue was RMB260.0 million, RMB328.9 million and RMB441.1 million, respectively. We recorded a CAGR in revenue of 30.2% from 2021 to 2023.

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In December 2023, we launched *API BayArea*, an API testing tool that provides functions such as API design, mocking, testing, debugging, documentation and management of API development by multiple developers. The API testing tool is accessible through our website or, in the future, by downloading a desktop application to the customer’s own computer. *API BayArea* was launched as a trial version on a free-of-charge basis.

Our Market Opportunity and Value Proposition

Our service offerings are closely connected to the digital transformation of corporate and government organizations where seamless, fast and stable data access and management are critical to their business flows and decision-making. Corporate organizations increasingly depend on data to strengthen customer relationships, personalize customer experiences, integrate digital resources, analyze business performance and results, and anticipate market trends to increase productivity and reduce costs. Government organizations are digitalizing social and government data to improve their governance and public administration efficiency and increase public access to social and government data in a secure and private manner. API services play a critical role in digital transformation.

Key value propositions of our services and solutions include:

- ***Eliminating data silos.*** Our API marketplace and data management solutions are devoted to eliminating data silos both within and across organizations, unifying data standards and facilitating data output in a standardized approach. By facilitating standardized output and seamless data integration, we enable organizations to access and utilize internal and external data more effectively.
- ***Handling large volume of data.*** Our API marketplace can simultaneously support multiple APIs with large data volumes. Our solutions empower organizations to efficiently access, manage and process extensive data with high concurrency.
- ***Lowering total cost of ownership.*** Our data management solutions relieve customers from making heavy upfront investments and capital expenditures in self-developing software, helping organizations reduce the total cost of ownership of customized software, thus allocating resources more strategically.
- ***Facilitating integration and deployment.*** We understand the importance of seamless integration with existing applications. Our data management solutions are built with an emphasis on simplicity and compatibility, allowing IT professionals to integrate our services smoothly and deploy them rapidly.
- ***Safeguarding privacy and security.*** Data privacy and security are paramount concerns in today’s digital landscape. Our products leverage advanced technologies, such as privacy-preserving computation and blockchain, to ensure that data remains secure and private. We prioritize data integrity and security and provide organizations and their customers with greater peace of mind.

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- **Customizing solutions.** We recognize that each organization has unique needs. Hence, we offer a wide spectrum of standard API services for customers to choose from. Likewise, our data management solutions can be tailored to meet specific requirements. We adapt to diverse business environments and deliver customized solutions that address specific challenges. We are dedicated to developing technologies to support our solutions.

OUR STRENGTHS

One of the First-Movers in the Digital Economy’s Key Industry

We are a provider of integrated API-enabled data exchange services, which is a part of the API-enabled service market in China. One of the pain points in developing China’s digital economy is the existence of data silos. API-enabled services can eliminate data silos. API-enabled data exchange service is a key industry in the digital economy in China. Our market position is primarily derived from our distinctive industry insights and competitive advantages in our products and services, including:

- **Profound industry insights from our first-mover advantage:** We have been involved in API-enabled data exchange services for more than ten years. As one of the earliest players in the industry, we gradually expanded our services and solutions, treating digitalization as our core tenet. In addition, we have accumulated valuable experience continuously in operation, market cultivation and customer expansion, achieving our current market position in the field of standard API services.
- **National recognition and participation in the formulation of industry standards:** We have received multiple recognitions from national-level institutions, demonstrating our industry knowhow and involvement in shaping industry standards. In 2019, we were awarded with the 9th Wu Wenjun Artificial Intelligence Science and Technology Progress Award (吳文俊人工智能科技進步獎), the highest award for achievements in intelligent science and technology in China, for our “Enterprise Technological Innovation Project”, which was hosted by CAAI. In 2021, we collaborated with the National Industrial Information Security Development Research Center (國家工業信息安全發展研究中心) and Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) and co-authored a series of white papers on data factor research titled the “China Data Factors Market Development Report”. In 2022, we actively participated in drafting the “Technical Requirements for Trusted Data Service External Data Management Platforms” (可信資料服務外部資料管理平台技術要求) of the MIIT for the telecommunications industry. This initiative aimed to establish industry-wide standards and promote the development of external data management platforms in the telecommunications industry. In addition, the “Juhe Data Asset Service API Platform” project was recognized in the national “2021 Big Data Industry Development Pilot Demonstration Project List” by the MIIT. We also received a series of awards and recognitions in 2023, including being shortlisted for

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the 2023 Outstanding Solution in Information Technology Application Innovation in Jiangsu Province (2023年江蘇省信息技術應用創新優秀解決方案入圍名單), being recognized as an Emerging Service Industry Leading Enterprise in Suzhou (蘇州市新興服務業領軍企業), and receiving the Excellent Artificial Intelligence Solution in Jiangsu Province (江蘇省優秀人工智能解決方案).

Furthermore, in 2022, we were among the first batch of companies selected to be a member of the digital economy standard working group to join the National Committee for Informatization and Industrialization Convergence Standardization of the MIIT (工信部全國兩化融合管理標準化技術委員會). We contributed to the research and development of the industry standards in key areas of the digital economy, including data factors, digital infrastructure, digital industrialization, industrial digitalization, and digital governance, so as to promote the healthy development of the digital economy. In addition, we have participated in discussions in multiple important industry seminars as representatives of big data industry enterprises, along with the China Academy of Macroeconomic Research (中國宏觀經濟研究院), the National Information Center (國家信息中心), Alibaba, and Tencent. Drawing from our own experiences, we have made suggestions on data factor circulation. As we actively participated in formulating industry standards, we always keep abreast of policy changes in time. This allows us to keep up with industry trends and maintain our market position in the API-enabled data exchange service market in China.

The PRC government has been placing significant emphasis on the role of data as a key element in the construction of a digital economy and has launched a series of important policies with vision and strategic significance to underline its commitment. As stated in the “Industry Overview” of this document, the market size of China’s digital economy is expected to reach RMB82.0 trillion in 2027 with a CAGR of 10.3% from 2022 to 2027, representing approximately 49.6% of China’s total expected GDP in 2027 compared to 41.5% in 2022. We believe we have a strong brand and are well-positioned to capitalize on the massive market potential.

An Innovator in the Industry with Strong Research and Development Capabilities and Accumulated Advantages in Core Technologies

Innovation is the core of our culture. Since our inception, we have accumulated 26 core technologies, primarily in API full-lifecycle management, data governance, RPA, privacy-preserving computation and blockchain. As of December 31, 2023, we have been granted 50 trademarks, 64 patents and 98 registered software copyrights. Our R&D team also has experience in large-scale software engineering projects.

Our technology has traits such as low latency, stability, security, flexibility, scalability, accessibility and ease of use. Our products, *APIMaster*, *QuickBot*, *DataArts*, *SmartShield* and *AnchorChain*, focus on data collection, data governance, data sharing, data application, and data security. These products, working independently or in combination, can form a data

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management solution system and provide strong support in expanding our customer base across different industries. In 2023, we participated in the 2022 World Privacy-Preserving Computing Competition sponsored by the MIIT, and won the first place in the Zero-Knowledge Proof Track against nine competitors, including Project 985 universities, SOEs and renowned listed companies. This competition sought to highlight the demand for protection of data security and privacy and to promote its development. It aimed at promoting the development of privacy-preserving computing technology in China’s digital economy and was focused on developing advanced and cost-effective technologies. Data security has played an important role in promoting an orderly and healthy data exchange market that crystalizes and unlocks value of data. As one of the most effective ways to ensure a safe data exchange environment, privacy-preserving computation has gradually been adopted by different organizations to promote data exchange among different organizations both internally and externally.

We are dedicated to innovation focused on the domestic market and actively promote the compatibility of domestic CPUs, operating systems, databases, and middleware. Our products have passed the compatibility test and received recognition from multiple testing agencies for their compatibility with the above domestic technologies and products. We continue to independently develop technologies in data collection, data governance, data sharing and application, and data security, contributing to the development of information and technology in China.

Well-Established and Diversified Customer Base, a Stable and Diverse Array of Data Service Suppliers, and Sustainable Monetization Capabilities

Since the launch of our API marketplace in June 2011, we developed over 770 proprietary APIs. In 2023, API marketplace handled more than 120 billion API requests. It empowered customers including Tencent, Alibaba, Baidu, NetEase, Meituan, China Mobile, China Unicom, China Telecom, and other large and well-known enterprises. The China Internet Association (中國互聯網協會) released the top 100 PRC internet companies in terms of comprehensive strength in 2023 at the China Internet Enterprise Comprehensive Strength Index (2023) (中國互聯網企業綜合實力指數) press conference. In the “China Internet Enterprise Comprehensive Strength Index Report (2023)”, four out of the top five PRC internet companies were our customers.

We have established cooperative relationships with customers in government and private sectors to provide our customized data management solutions, and our market recognition and reputation have steadily improved. For our API marketplace, we continuously enrich and optimize data sources, and establish diversified stable data channels that also safeguard security and privacy. Our APIs are typically linked to several suppliers for customers to choose from and, through our professional operations and automated management, we can provide customers with steady, efficient and secure API marketplace services.

Our products and services can be integrated into customers’ operations, enabling us to maintain our well-established customer base. As our scale in API services and data management solutions continues to grow, our customers have correspondingly diversified with

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new entrants from different industries. Our interaction with customers enables us to keep up with industry trends and better understand how to address their data needs. This allows us to further enhance our brand influence within the digital economy in China, strengthen our brand recognition in the API services and data management solutions sectors, and expand our potential customer pool. As of December 31, 2021, 2022 and 2023, the number of key customers of our API marketplace was 21, 22 and 17, respectively. Meanwhile, the average income from our key customers of our API marketplace were RMB7.0 million, RMB8.1 million and RMB18.3 million in 2021, 2022 and 2023, respectively.

A Scalable Business Model

By continuously upgrading product and service offerings and expanding application scenarios and customer base, our products have been applied in areas such as e-government services, digital society, data integration within internet companies internally, product development of software enterprises and financial service digitalization. As customers use our products and services, our technology also improves as we adapt to their needs, which attracts customers to increase their purchases of our services. Key customers of API marketplace contributed a substantial portion of our revenue during the Track Record Period. For each of the years ended December 31, 2021, 2022 and 2023, key customers contributed over 77.0% of the revenue derived from API marketplace. During the same years, the net dollar expansion rate of revenue from our API marketplace key customers were 136.4%, 139.1% and 217.3%, respectively. The average income from our key customers of our API marketplace increased from RMB7.0 million in 2021 to RMB18.3 million in 2023. Having been in operations for over a decade, we have experience in providing API marketplace services to customers in various industries. As we continue to cooperate with customers, we have developed a deeper understanding of their data needs and can develop technical services that better meet their diverse requirements.

An Entrepreneurial and Experienced Management Team

Our founder and management team have industry insights, experience, and knowledge, which have played a crucial role in our continuous exploration, innovation, and achievements in the digital economy industry, thus promoting the successful development of our business. Our founder, chairman of our Board, chief executive officer and executive Director, Mr. Zuo, has won numerous national awards and honors, and served in positions such as member of the Suzhou City Political Consultative Conference (蘇州市政協), Secretary-General of the Suzhou Internet Network Security Alliance (蘇州市互聯網網絡安全聯盟), and Vice President of the Jiangsu Province Youth Entrepreneurs Association (江蘇省青年企業家聯合會). He was successively named Suzhou Industrial Park Science and Technology Leading Talent (蘇州工業園區科技領軍人才), 2018 China Big Data Leader (2018中國大數據領軍人物), Jiangsu Province Leading New Generation Entrepreneur (江蘇省領軍型新生代企業家), Jiangsu Province Science and Technology Entrepreneur (江蘇省科技企業家), and Jiangsu Province Outstanding Chief Information Officer (江蘇省優秀首席信息官). Our management team has a deep insight into industry trends and is well-positioned to effectively seize new market opportunities. The team places a strong focus on technological innovation and has created a

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culture of innovation for our company, laying a solid foundation for our successful development. Our directors and senior management team possess experience in big data industry, telecommunications internet industry, auditing and financial management, communications industry and software development. As of December 31, 2023, we had 104 research and development personnel, accounting for 55.0% of the total number of our employees. Our senior R&D engineers have over ten years of related practical experience.

We have a comprehensive talent reserve, recruitment, and training system. We highly value talent, and have created a corporate culture that respects and rewards knowledge, talent and creativity. We have established multiple channels to recruit talents and key technical personnel, paving a way for our employees and new recruitments to develop their management skill and technical knowledge.

We also focus on employee welfare and the work environment, offering competitive salaries, benefits, and special reward plans, and providing a collaborative culture, relaxed work atmosphere and benefits, and a diverse development platform.

OUR STRATEGIES

To further pursue our market leadership, we intend to implement the following strategies:

Seize the Significant Opportunities Arising from Government and Public Data Authorized Operations to Expand

The 14th Five-Year Plan proposed to carry out pilot projects for government data authorized operation (政府數據授權運營) which selectively open government data for private use by authorized entities and declared that government data authorized operation will be a significant part of its national strategy. Between 2014 and 2020, 30 state-owned data exchanges were established. As the PRC government placed increasing emphasis on developing China’s digital economy, state-owned data exchanges saw another spike in number. Since 2020, 22 data exchanges have been established, including the Shanghai Data Exchange (上海數據交易所), the Beijing International Data Exchange (北京國際大數據交易所), and the Shenzhen Data Exchange (深圳數據交易所). Local governments are expected to follow these examples and actively construct data exchanges. In light of the favorable trend, we will focus on further exploring opportunities to cooperate with the governments for data opening. We entered into strategic cooperation framework agreements with Western Data Trading Co., Ltd. (西部數據交易有限公司) on June 7, 2023 and Suzhou Data Assets Operation Co., Ltd. (蘇州數據資產運營有限公司) on July 5, 2023. Pursuant to the two framework agreements, we have agreed to cooperate with our respective counterparty to provide a steady supply of services and solutions to aid in the construction and development of China’s big data industry. We also entered into a strategic cooperation framework agreement with Shenzhen Data Exchange Co., Ltd. (深圳數據交易所有限公司) in October 2023. Pursuant to the agreement, both parties may work together on potential opportunity referral, promotion, data privacy and security policy building, conducting joint research and hosting seminars and forums. In addition, we entered into a strategic cooperation framework agreement with Inspur Cloud Information Technology

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Co., Ltd. (浪潮雲信息技術股份公司) in November 2023. Pursuant to the agreement, both parties have agreed to provide each other with services and support on projects related to system integration, smart terminals and servers, among others, to jointly expand market share in these fields. We believe that these framework agreements will further enhance our business and strengthen our market position. We plan to use [REDACTED] of the [REDACTED] to comprehensively upgrade the existing suites of APIs in our API marketplace. See “Future Plans and [REDACTED] – [REDACTED]”.

We have insights into industrial trends and adapt our services and solutions accordingly. We are committed to diversified data circulation, such as industrial big data, medical data, and educational data, to promote government and public data opening and sharing. Using advanced technologies such as privacy-preserving computation, blockchain and cloud computing, we are working to ensure that the exchange of data is trustworthy, safe, and controlled, aiming to eliminate data silos and enhance the quality and efficiency of digital economy.

We will leverage our advantages in technologies and utilize our market resources to further our cooperation with local governments. We will continue to upgrade technologies, develop new products and APIs for more scenarios, to meet the increasingly diverse needs of our customers. We will undertake research on automated operation systems and further improve the automated selection and matching of data service suppliers, which we expect to enhance our overall service efficiency. Furthermore, we seek to develop API testing tools and platforms to provide professional API testing services for developers. We also aim to expand our customer base and monetize our subscription services.

Further Explore Service Capabilities for Diverse Industries, Continuously Expanding Regional Coverage, Service Types and Scenarios

We aim to enhance our data management solutions for government organizations by effectively integrating external data sources and government’s internal data sources. We strive to maximize the value of data by breaking down the barriers arising from heterogeneous data from the government and third parties, thus optimizing decision making and promoting efficiency in social governance. We expect these measures to attract repeat customers for our data management solutions. We seek to expand our cooperation with our existing customers, creating industry precedents and allowing our future customers to benefit from the precedential solutions.

In addition, we plan to fully utilize the business potential of Suzhou, where our headquarters is located, and focus on local government big data services in all districts of Suzhou. Suzhou is a prefecture-level city with a GDP of RMB2.4 trillion in 2022, according to the Bureau of Statistics of Suzhou. We believe our deep commitment to Suzhou will have a demonstrative effect, laying a solid foundation for our further expansion into other major cities nationwide. We intend to maintain our early advantages in the field of data management solutions and replicate our experiences in Suzhou to other prefecture-level and county-level

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administrative regions in China. Since China has over 300 prefecture-level administrative units and over 2,800 county-level administrative units as of December 31, 2022, we believe there are extensive market opportunities ahead.

With respect to corporate entities, we will focus on data collection and analysis, and data factor circulation to seize the development tailwind of digital economy and fortify our competitive advantages. Leveraging technologies such as RPA, blockchain, and federated learning, our customized solutions for industrial customers are based on their circumstance and need. For example, our digitalization in operating solutions helps customers achieve real-time analysis and smart decision-making. This process enables corporate enterprises to promote their digital transformation. The Yangtze River Delta region, to which Suzhou belongs, has a great number of manufacturers who seek digital transformation, which we believe will bring us continuous business opportunities. We will also strive to expand our data management solutions to an increasing number of industries, such as the digital transformation of SOEs and industrial sector entities, and to expand product scenarios. We plan to launch certain of our future products on a subscription basis as part of our attempt to create a new revenue model. We plan to use of [REDACTED] of the [REDACTED] to upgrade our existing products and services of our data management solutions. See “Future Plans and [REDACTED] – [REDACTED]”.

Expansion of Customer Base and Deepening of Industry Ecosystem Stakeholder Relationships

We focus on expanding our customer base and deepening relationships with stakeholders in the API-enabled data exchange service market and data management service market. We attract a large non-paying customer base and create opportunities for them to become paying customers. We aim to continuously grow our clientele, improve customer stickiness, and increase the retention rate for our customers by addressing customer needs and upgrading our product offerings. We are also committed to providing comprehensive, full-lifecycle products and services, deepening our interactions with key customers, and establishing long-term strategic relationships. We are dedicated to building a more comprehensive data exchange and trading platform, attracting more customers, suppliers and other market players who possess data sources to utilize our services. Our aim is to build a virtuous cycle for the digital economy industry ecosystem and become an industry leader. Leveraging over ten years of industry experience and insights, we will continue to contribute to the development of digital economy in China, participating in the formulation of national and industry standards.

Enhancing R&D Capabilities

We plan to continue our research and development efforts to broaden our technical advantages, expand application areas, solidify our position within existing customer segments, and continuously update our technologies to meet the demand of digital transformation. To enhance product advantages and improve core technologies, we are dedicated to attracting excellent technical talent from the industry, reinforcing incentive measures, devoting attention to the control and management of R&D projects, and focusing on the implementation aspects

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of R&D projects. This approach will keep our core technical level at the forefront of the industry. In addition to recruiting talents, we aim to enhance the diversity of technical and professional staff, thus strengthening our employees’ competitiveness. We also intend to provide better training opportunities for our employees to improve service efficiency, work performance, and employee satisfaction. We plan to recruit experienced software development engineers, operations engineers, network engineer and architects in the next three years to support our services and solutions. We aim to enhance the diversity of technical and professional staff, thus strengthening our employees’ competitiveness. We also intend to enhance training opportunities for our employees to improve service efficiency, work performance, and employee satisfaction. To upgrade and expand the technology advantages and scenario adaptability of our products to meet the digital transformation process of customers and enhance our technical competitiveness, we will delve into the digital transformation business in areas such as government affairs, finance, and manufacturing, providing customers with more convenient and cost-effective project implementation solutions. We plan to use [REDACTED] of the [REDACTED] to comprehensively upgrade the existing suites of APIs in our API marketplace and [REDACTED] of the [REDACTED] to upgrade our existing products and services of our data management solutions. See “Future Plans and [REDACTED] – [REDACTED]”.

We place a high value on data security. We have conducted in-depth research in the field of privacy-preserving computation and have formed critical technologies such as service quality management and integrated development environments. Going forward, we plan to further strengthen research on privacy-preserving computation and blockchain, among other secure encryption technologies, to upgrade and achieve breakthroughs in data governance technology services that enjoy the support of government policy. We plan to use [REDACTED] of the [REDACTED] to conduct research and develop the technologies for data security and privacy protection, building a comprehensive ecosystem for digital ownership, secure data storage, trusted data transmission, and collaborative production. See “Future Plans and [REDACTED] – [REDACTED]”. Over the next three years, we plan to recruit industry experts with backgrounds in data security to form a dedicated technical research and development team. For our projects under development, see “Business – Research and Development – Ongoing R&D Projects”.

Strategic Aquisitions and Joint Ventures to Pursue Leadership

We will continue to expand our API service and data management solution capabilities. Although we expect this to be mainly achieved through organic growth, we will also consider carrying out acquisitions of assets and businesses or joint ventures that can enhance our value proposition data circulation. Our goal is to enhance our products and services and consolidate our market position through strategic acquisitions and partnerships. Based on our development strategy and our continually accumulated understanding of customer needs in different service scenarios, we will selectively invest in or acquire the above-mentioned target which can synergize or complement with our existing service portfolio.

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AWARDS AND RECOGNITIONS

The table below sets forth a summary of the major awards and recognitions we received since January 1, 2021 and as of the Latest Practicable Date:

Year	Award/Recognition	Issuing authority/organization
2023	Jiangsu Province Information Technology Application Innovation in 2023 Outstanding Solution Shortlist (2023年江蘇省信息技術應用創新優秀解決方案入圍名單)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
2023	Emerging service industry leading enterprise in Suzhou (蘇州市新興服務業領軍企業)	Suzhou Municipal Development and Reform Commission (蘇州市發展和改革委員會)
2023	Excellent Artificial Intelligence Solution in Jiangsu Province (江蘇省優秀人工智能解決方案)	Jiangsu Artificial Intelligence Society (江蘇省人工智能學會)
2023	First batch of emerging service industry leading enterprises in Suzhou (蘇州市首批新興服務業領軍企業)	Suzhou Service Industry Development Leading Group Office (蘇州市服務業發展領導小組辦公室)
2023	List of Jiangsu Province Blockchain Industry Development Pilot Model Project (安全生產監測預警平台 – 江蘇省區塊鏈產業發展試點示範項目)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
2023	Fifth Batch of National Specialized, Refined, Innovative and Outstanding “Little Giant” Enterprises (國家級第五批專精特新“小巨人”)	MIIT
2023	First Prize in the Zero-Knowledge Proof Track at 2022 World Privacy-Preserving Computing Competition (隱私保護計算大賽零知識證明賽道一等獎)	Organizing Committee of Privacy-Preserving Computation (隱私保護計算大賽組委會), hosted by MIIT
2022	High-Quality Development Outstanding Case (高質量發展優秀案例)	Jiangsu Federation of Young Entrepreneurs (江蘇省青年企業家聯合會)
2022	Outstanding Performance Level in the Provincial Engineering Technology Research Center (Corporate Category) (省級工程技術研究中心(企業類)優秀績效水平)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳)

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Year	Award/Recognition	Issuing authority/organization
2022	Selected Member of the National Informatization and Industrialization Integration Standard Committee’s Digital Economy Standards Workgroup (全國兩化融合管理標準化技術委員會數字經濟標準工作組選定成員)	MIIT Informatization and Industrialization Integration Standards Committee (工信部兩化融合標委會)
2021	Jiangsu Province Industrial and Information Industry Transformation and Upgrading Special Fund Project (江蘇省工業和信息產業轉型升級專項資金項目)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
2021	2021 Jiangsu Province Artificial Intelligence Benchmark Demonstration Enterprise (2021年度江蘇省人工智能標桿示範企業)	Jiangsu Artificial Intelligence Industry Technology Innovation Strategic Alliance (江蘇省人工智能產業技術創新戰略聯盟)
2021	Big Data Industry Development Pilot Model Project (大數據產業發展試點示範項目)	MIIT
2021	Jiangsu Provincial Software Enterprise Technology Center (江蘇省省級軟件企業技術中心)	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)

OUR SERVICES AND SOLUTIONS

The table below sets out our total revenue by product categories during the Track Record Period:

	Year ended December 31,					
	2021		2022		2023	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Query	124,467	47.9	145,279	44.2	271,356	61.6
SMS notice	57,883	22.2	70,627	21.5	64,543	14.6
Top-up	12,370	4.8	7,626	2.3	6,170	1.4
Revenue from API marketplace	194,720	74.9	223,532	68.0	342,069	77.6
Revenue from data management solutions	65,291	25.1	105,404	32.0	99,014	22.4
Total Revenue	260,011	100.0	328,936	100.0	441,083	100.0

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API Marketplace

Our API marketplace provides standard API services through our web-based integrated service platform. API marketplace transforms interface service requests based on diverse types of protocols, methods and parameters to standard data interfaces. Customers can integrate their software applications quickly with standardized APIs provided by API marketplace, enabling them to rapidly implement the functionality required for their scenarios. For example, the query results returned through our API marketplace typically are in a format that is technical for a lay person. Customers need to connect the APIs we provide with their system by coding, so that their online interfaces, such as mobile apps, websites or Wechat mini programs can further output these results. We refer to the connection and working-together process of the requesting party's system and our APIs procured by API marketplace as "integrate". Set forth below is a screenshot of the query results of a weather condition API:

返回内容: [JSON在线格式化工具](#)

```
{
  "reason": "查询成功!",
  "result": {
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    "realtime": {
      "temperature": "20",
      "humidity": "38",
      "info": "晴",
      "wid": "00",
      "direct": "西北风",
      "power": "3级",
      "aqi": "30"
    },
    "future": [
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        "temperature": "14\27°C",
        "weather": "晴",
        "wid": {
          "day": "00",
          "night": "00"
        },
        "direct": "西北风转持续无风向"
      },
      {
        "date": "2023-09-30",
        "temperature": "11\25°C",
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        "weather": "晴",
        "wid": {
          "day": "00",
          "night": "00"
        },
        "direct": "持续无风向"
      }
    ]
  }
}
```

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Our customers primarily consist of internet companies, software and app developers, and telecommunications operators, which subscribe to different service types to match their application scenarios. We have developed more than proprietary APIs since our inception. As of December 31, 2023, we offered over 380 APIs on API marketplace, including over 300 paid APIs. The APIs we offer on API marketplace cover a wide array of services, such as authentication, SMS notice, weather, news, IP address inspections and top-ups.

In addition, we offer a wide spectrum of free query APIs. As of December 31, 2023 and the Latest Practicable Date, we offered over 80 free APIs. We do not pay for the data supply source of free APIs as they are generally publicly available information. Other costs incurred for offering free APIs, such as internet infrastructure and labor cost, were allocated to paid APIs during the Track Record Period. For example, our weather condition API can connect to customers’ intelligent audio devices to answer end-user questions about the weather. Another example of an often used query API is the IP address check, which enables customers to know the city where their end-user is located.

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Set forth below are the APIs we offer on the website, sorted by scenarios.

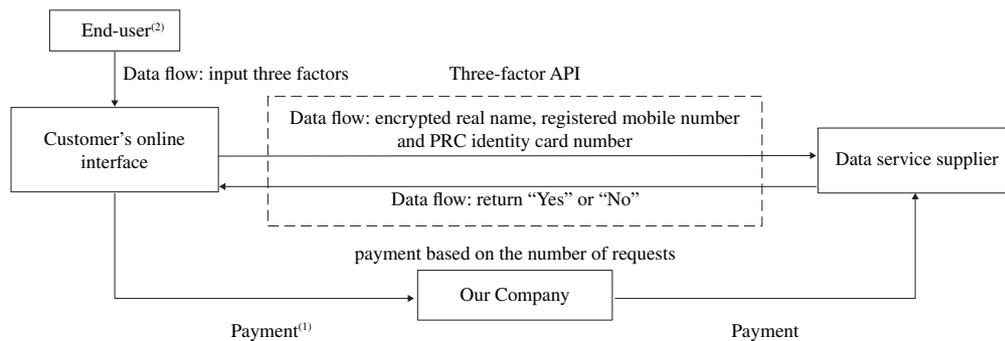
Domestic Services	Three network mobile phone real-name authentication [simplified] Verify whether the information of the three elements of the mobile phone number, name, and ID card number) is consistent. Only reply whether it is consistent or inconsistent, and no reason is required. Payment For company use	ID Verification Verify whether the information of the two elements of the ID card (name and ID card number) is consistent. Payment For company use	SMS API service Support three major operators, virtual operator SMS sending, telecom-level operation and maintenance guarantee, exclusive dedicated channel, reachable in 3 seconds with 99.99% arrival rate, support large capacity and high concurrency. Payment For company use
Fintech	Bank card four-element detection [simplified] Verify whether the information of four elements of the bank card (name, mobile phone number, ID card number, bank card number) is consistent. Only reply whether it is consistent or inconsistent, and no reason is required. Payment For company use	Bank card three-element detection [Simplified] Verify whether the information of the three elements of the bank card (name, ID card number, bank card number) is consistent. Only reply whether it is consistent or inconsistent, and no reason is required. Payment For company use	Mobile online time Check the usage time (non-internet time) of the customer's mobile phone card since activation. Payment For company use
Data Intelligence	SMS API service (captcha) This API can only send captchas SMS in fixed template format. For the list of supported templates, please refer to the fixed template list API. Template is created via API. Payment For company use	IPv6 address query-city level According to the queried IPv6 address, the region to which the IPv6 belongs is queried and queried at the city level. Payment	Mobile phone number location Enter the mobile phone number to query the location, number segment, mobile phone card type, operator and other information of the mobile phone number. Free
Industry and Commerce	IPV4 address query-district and county level Support querying detailed information of an IPv4 address, including information such as country (region), state/province, city, zip code, longitude and latitude geographical coordinates, etc., which can be accurate to the district and county level. Payment	Weather forecast Check weather conditions: temperature, humidity, AQI, weather, wind direction, etc.	Horoscope Daily, monthly and annual horoscopes of the twelve constellations. Free
Transport Geography	News headlines Latest news headlines, including domestic, international, sports, entertainment, technology and other information, updated every 5-30 minutes. Free	Three network mobile phone real-name authentication [details] Verify whether the information of the three elements of the mobile phone operator (mobile phone number, name, and ID card number) is consistent. reply with verification result and error reason. Payment For company use	
Application Development	Global Administrative Division Query Support for enquiry on administrative divisions of more than 200 countries/regions worldwide. Free		
E-Commerce			
Top-up & payment			
Entertainment			
Free API			
For Company Use			
First Purchase Special Offer			
1-cent Zone			
SMS API			
Automotive Aftermarket			
Verification API			

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Service Types

APIs that we offer through API marketplace can be mainly divided into three types, which we refer to as “service types”:

- *Query*: Customers utilize our APIs to request the retrieval of data results, such as identity authentication, mobile online status, online duration, information on companies, and certain publicly available information such as weather conditions. We provided approximately 300 paid APIs for query services as of December 31, 2023. One of our most popular query APIs is known as the “three-factor” API. The “three factors” refer to a person’s name, registered mobile number and PRC identity card number. Internet platforms in China typically require new customers to provide these three factors to verify their identity and register a new account. Without divulging any personal data, our customers will receive a “Yes” or “No” result confirming whether the three factors match the information previously registered by the same person. End-users provide their three factors on our customer’s online interface, such as a mobile app, website or WeChat mini program. The online interface provides encrypted data to data service suppliers through our APIs. Data service suppliers will return a “Yes” if the information provided data match their record. The chart below provides an illustration of how three-factor API works.



* the area bordered by dashed lines represents one or more APIs offered by our API marketplace.

(1) The payment between our customers and us may involve Third-Party Payment Arrangements, which we have ceased since November 27, 2023.

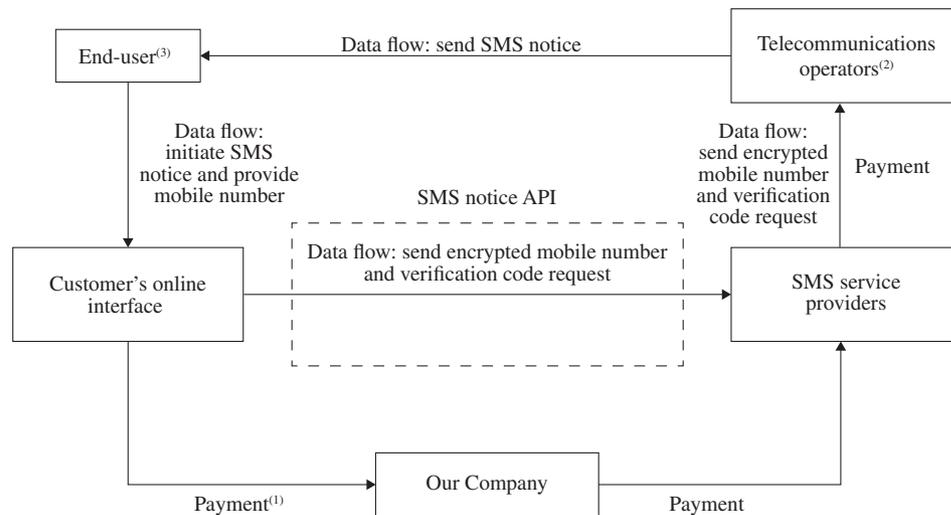
(2) Our Company does not interact directly with end-users.

In addition, we also offer other types of APIs. For instance, our usage duration APIs enable customers to know the approximate length of time (such as within three months, three to six months or other responses) for which an end-user has used a mobile phone number. This may be used to help customers, such as commercial banks, to evaluate the credit risk of their customers when their customers apply for a loan. For example, a customer of a recently registered mobile number generally has a higher credit risk than a customer of a mobile number in use for more than 10 years. The mobile online status API can check whether a mobile number is functioning normally, temporarily suspended or terminated. This can help customers

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such as logistics companies to decide whether the mobile number owner is reachable and arrange parcel delivery. Another example is our company information API. It is used when a customer provides services to its corporate customers. The customer can acquire publicly available information of a corporate customer by providing the corporate customer’s legal name or unified social credit code (統一社會信用代碼) and automatically fill in the forms, sparing corporate customers the trouble of inputting information manually. Customers may also use company information API to authenticate the information provided by corporate customers. Our customers of this service type include large internet companies, telecommunications operators and financial institutions.

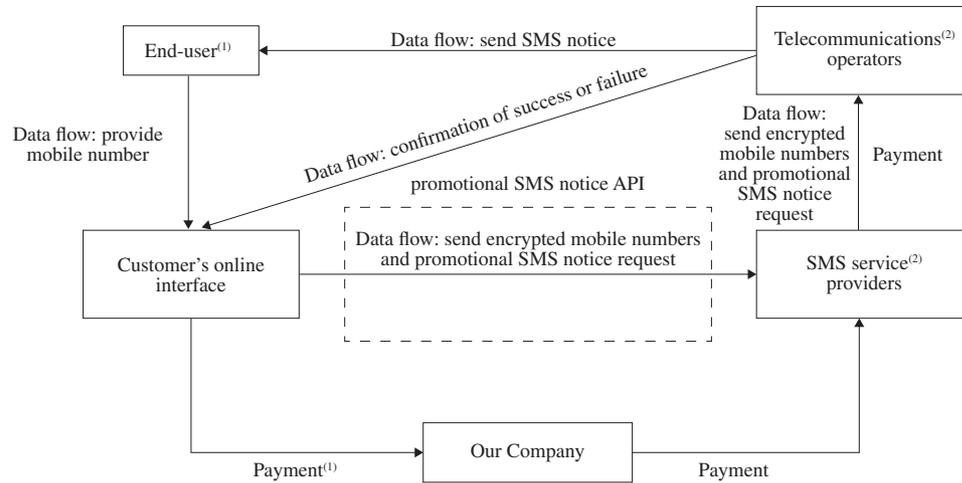
- SMS notice:* Our customers provide services to enable end-users to subscribe for SMS alerts, status updates and promotions. Our APIs facilitate SMS for account registration, login, security notice and password reset. We provided approximately five paid APIs for SMS notice services as of December 31, 2023. In the case of SMS notice APIs, an end-user initiates an SMS notice request and provides his or her mobile number to the customer’s online interface. The customer sends an SMS notice request to a third-party SMS service provider, who further delivers it to a telecommunications operator. The telecommunications operator sends the SMS to end-users. For example, when an end-user logs in to an app, the end-user may choose to log in by mobile authentication. In that case, the app will send a verification code request, with the end-user’s mobile number encrypted, to a third-party SMS service provider through our APIs. The third-party SMS service provider will work with a telecommunications operator, who will send an SMS login code to the end-user. The chart below provides an illustration of how SMS verification API works:



Another example of SMS notice API is promotional SMS notice. A customer can initiate a request to send a promotional SMS notice to third-party SMS service providers or telecommunications operators. We will request the customer to provide a template for the SMS notice. We will match the customer with service providers based on the customer’s individual needs. The third-party SMS service providers will work with the telecommunications operators, who will send an SMS message

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to the designated end-users with promotional SMS notice, and a confirmation (i.e. as to whether or not the SMS notice was successfully sent) to the customers, respectively. The chart below provides an illustration of how promotional SMS notice API works:

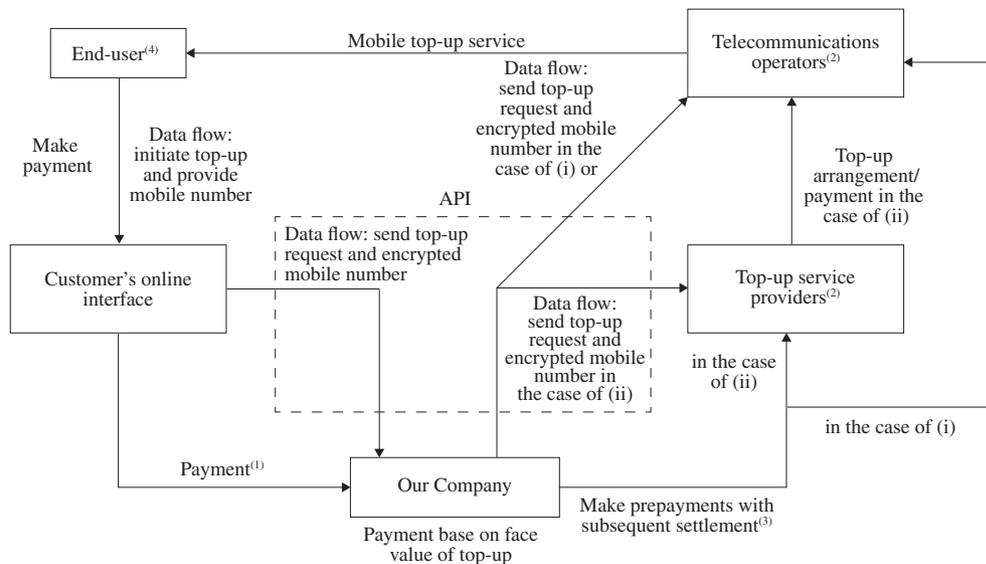


* the area bordered by dashed lines represents one or more APIs offered by our API marketplace.

- (1) The payment between our customers and us may involve Third-Party Payment Arrangements, which we have ceased since November 27, 2023.
- (2) SMS service providers receive requests from customer’s mobile apps, websites and Wechat mini programs and request telecommunications operators to send SMS notices. It is common in China for SMS notice requests to be first sent to SMS service providers, as opposed to telecommunications operators directly. SMS service providers cooperate with telecommunications operators to procure them to send SMS notices. In some cases, SMS notice requests were sent to telecommunications operators directly. During the Track Record Period, only a small portion of our SMS notices requests were sent to telecommunications operators directly which utilized the SP License. As of the Latest Practicable Date, all SMS notice requests were sent to SMS service providers. Different service providers offer different standards of services based on different prices. We seek to match the customer’s needs with the varied services offered by different service providers. SMS notice requests are sent to telecommunications operators directly when we utilized the SP License, and the telecommunications operators will send SMS notice to end-users. In this case, we made prepayments to telecommunications operators. Another case where SMS notice requests are sent to telecommunications operators is where telecommunications operators act as SMS service providers. Telecommunications operators, acting as SMS service providers, will find the designated telecommunications operators which will send the SMS notice to end-users. We have deregistered our SP License considering the following factors: (i) the current SMS notice business model, which does not require a SP License, is more commercially viable as compared to sending SMS notice requests by ourselves. The SMS notice business model that utilized SP Licenses is less commercially viable for us because (i) we needed to provide a substantial amount of prepayments to telecommunications operators; and (ii) PRC law and regulations imposed higher regulatory scrutiny on us when we so operated. In this regard, we have gradually reduced the revenue contribution from utilizing SP Licenses; as of the Latest Practicable Date, we do not plan to conduct any business that requires SP Licenses; and (iii) in light of the fact that we did not, and had no plans to use SP Licenses, deregistration will also maximize our flexibility to adopt “Full Circulation” of our Company’s shares, based on which they will become “foreign shareholding” and therefore become subject to regulatory requirements and limitations underlying these licenses.
- (3) Our Company does not interact directly with end-users.

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- Top-up*: Almost all of our top-up service in 2023 was mobile top-up. An end-user initiates a top-up on a customer’s online interface by clicking on a “top-up” button, inputting its mobile number and top-up amount. The customer’s online interface sends a top-up request to us through APIs. After receiving the request, we will either (i) send a request to the telecommunications operators directly, upon which we make payments to telecommunications operators; or (ii) we send top-up requests to top-up service providers directly and make payments to them. We generally are not involved in the interaction between telecommunications operators and service providers. Revenue derived from mobile top-up service contributed to approximately 80%, 99%, and 99% of the total top-up service revenue for the years ended December 31, 2021, 2022 and 2023, respectively. We have been strategically scaling down our top-up service since 2021. The chart below provides an illustration of how top-up APIs work.



* the area bordered by dashed lines represents one or more APIs offered by our API marketplace.

- The payment between our customers and us may involve Third-Party Payment Arrangements, which we have ceased since November 27, 2023. Customers may pay us after we procure top-up services for them, which led to unbilled trade receivables during the Track Record Period. Less than RMB250,000 of such unbilled trade receivables as of December 31, 2021, 2022 and 2023 were not settled as of the Latest Practicable Date.
- Mobile top-up services can be categorized as either (i) telecommunications operator’s top-ups or (ii) service provider top-up. In the case of telecommunications operator’s top-up, top-up requests are sent to telecommunications operators directly and we make payment to telecommunications operators. In the case of service provider top-up, top-up requests are sent to top-up service providers directly and we make payment to them. Different service providers offer different standards of services based on different prices. Service standards include the response time and probability of success in delivering top-up services. Faster top-up service generally charges a higher price as compared to slower top-up service. Service providers and telecommunications operators with high probability of success in delivering top-up services generally charge more than the ones with lower probability of success. In 2021, 2022 and 2023, there were 19, 17 and 21 top-up service providers. The availability of services offered by top-up providers may

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fluctuate. For instance, provider A might supply a top-up with a face value of RMB50 for mobile numbers of telecommunication operator A today, but this offering could be unavailable the following day. Our role is to align customer requirements with the services with suitable standard. To this end, we maintain regular communication with our top-up service providers to ensure they consistently deliver timely services with suitable standards of services. Our top-up service providers may work with telecommunication operators directly, or there may be one or more layers of top-up service providers between the service provider that directly works with us and the telecommunications operator that effects the top-up.

- (3) For the avoidance of doubt, we make prepayments before we provide mobile top-up services to customers. However the timing of settling the payment with top-up service providers or telecommunications operators may come before or after the settlement of payment with our customers. We make prepayments to both telecommunications operators and top-up service providers.
- (4) Our Company does not interact directly with end-users.

Our customers can deposit funds with us to increase the prepayment balance of an account registered in our website and use the account to purchase one or more types of API service. These prepayments may not be utilized for any purpose other than purchasing our API service. As some of our customers, such as internet companies, e-commerce platforms, and app developers, require multiple API services from us in their business, we allow them to prepay certain service fees in advance to their account with us, which they can apply to settle our fees as they continue to use our services. We treat these prepaid service fees as contract liabilities on our balance sheet. See “Financial Information – Current Assets and Liabilities – Contract Liabilities”.

In the three service types, API marketplace charges customers for the API requests and we pay for the services of suppliers. API marketplace directs these requests to the respective suppliers selected by the customers. During this process, customers may choose suppliers for the service types of query and SMS notice. In the case of top-up, customers will be assigned a service provider based on their top-up request details, such as the amount and telecommunications operator of the mobile phone number. In 2021, 2022 and 2023, the gross profit margin of our query services was 35.0%, 37.1% and 31.1%, respectively, the gross profit margin of our SMS notice services was 11.6%, 15.4% and 11.5%, respectively, and the gross profit margin of our top-up services was 84.6%, 87.3% and 83.2%, respectively. For the reasons of the decreases in gross profit margin in 2023, See “Financial Information – Results of Operations – Comparisons between 2023 and 2022 – Gross Profit and Gross Profit Margin”. Internet infrastructure on which API marketplace’s operation relies are leased from third-party service providers.

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Key Operating Metrics

The table below sets forth selected key operating metrics of our business:

	Year ended December 31,		
	2021	2022	2023
Retention rate of our key customers of API marketplace ⁽¹⁾⁽²⁾	78.9%	85.7%	59.1%
Net dollar expansion rate of revenue from our API marketplace key customers ⁽³⁾	136.4%	139.1%	217.3%
Number of key customers of API marketplace	21	22	17
Average income from our key customers of our API marketplace (<i>in millions of RMB</i>).	7.0	8.1	18.3
Average revenue per paying customer ⁽⁴⁾ (<i>in thousands of RMB</i>).	8.1	13.8	28.8
Number of active registered customers ⁽⁵⁾ (<i>in thousands</i>).	77.9	65.8	61.7
Number of active registered paying customers (<i>in thousands</i>) ⁽⁶⁾	14.9	12.1	10.7
Retention rate of paying customers of our API marketplace ⁽⁷⁾	37.99%	29.63%	36.57%
Net dollar expansion rate of revenue from paying customers of our API marketplace ⁽⁸⁾	83.82%	119.84%	123.40%
Conversion rate of non-paying customers into paying customers ⁽⁹⁾	0.37%	0.52%	0.45%
Number of API requests for query (<i>in millions</i>).	910.8	920.5	1,568.2
Average price per request of API request for query (<i>in RMB</i>)	0.137	0.158	0.173
Number of API requests for SMS notice (<i>in millions</i>)	2,037.9	2,130.7	2,097.5
Average price per request of API request for SMS notice (<i>in RMB</i>)	0.028	0.033	0.031
Aggregate top-up face value (<i>in millions of RMB</i>)	2,322.6	774.7	494.3
Revenue per RMB100 top-up (<i>in RMB</i>) ⁽¹⁰⁾	0.53	0.98	1.25

- (1) Key customers refer to customers who contributed revenue of more than RMB1 million in a respective year.
- (2) Calculated as the number of key customers of API marketplace in the prior year that remain as our paying customers in the current year, divided by the number of all key customers of API marketplace in such prior year.
- (3) Calculated as revenue derived from our key customers of API marketplace in any given year divided by the revenue derived from the same key customers in the previous year, provided that the key customers must be a paid customer in the previous year. Otherwise the revenue attributable to the key customer will not be accounted for in the given year.
- (4) Calculated as revenue derived from our API marketplace for the respective year divided by the number of paying customers of API marketplace during the respective year.
- (5) Referred to the number of customers who used APIs (whether paid or for free) offered through API marketplace in the respective year.
- (6) Refers to the number of customers who used our APIs (whether paid or for free) offered through API marketplace in the respective year and historically made payment to us.

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- (7) Calculated as the number of paying customers of API marketplace in the prior year who contributed to our revenue in the current year, divided by the number of all paying customers of API marketplace in such prior year.
- (8) Calculated as revenue derived from our paying customers of API marketplace in any given year divided by the revenue derived from the same paying customers in the previous year, provided that the paying customers must be a paid customer in the previous year. Otherwise, the revenue attributable to the paying customer will not be accounted for in the given year.
- (9) Calculated as for a given year, the number of paying customers of API marketplace who made their first payments to us in the given year, provided that such first payments were made at least 60 days after the registration of the respective customer, divided by the number of new non-paying customers, who registered or used any free API marketplace services in the respective year.
- (10) We recognize the difference between the purchase for the top-up face value paid to data service suppliers and the amount we received from our customer (i.e. the mobile apps, websites and WeChat mini programs on which end-users initiate top-up) as revenue during the Track Record Period. We are unable to provide net profit of each RMB100 top-up primarily because certain expenses cannot be allocated to subsegments of API marketplace.

We typically charge our customers based on their number of API requests for query and SMS notice services. Our average price per request for query service increased from RMB0.137 in 2021 to RMB0.158 in 2022, and further increased to RMB0.173 in 2023, primarily due to increased purchase costs of identity authentication-related API service supply, which led to a higher price. This trend was also attributable to the increase in the usage of mobile number-related three-factor authentication, which had a higher price per request. Our average price per request for SMS notice service decreased from RMB0.033 in 2022 to RMB0.031 in 2023, primarily due to a decrease in the usage of promotional SMS notice service, which had a higher price per request as compared to the average price per request in 2022 and 2023.

The net dollar expansion rate of revenue from our API marketplace key customers increased significantly from 139.1% in 2022 to 217.3% in 2023, primarily due to a significant increase in the revenue contributed by three key customers as a result of their increased purchases of our query services, mainly attributable to their increased trust in the quality and reliability of our services based on past collaborations as well as our competitive pricing.

Revenue per RMB100 top-up increased from RMB0.53 in 2021 to RMB0.98 in 2022 primarily because we ceased to offer gas card top-up in 2022, which had a much lower revenue per RMB100 top-up. In addition, certain mobile top-up service providers lowered their price as part of their promotions. Revenue per RMB100 top-up increased to RMB1.25 in 2023 primarily because we were more selective in working with mobile top-up service suppliers to lower our purchase costs and we increased our unit price for certain popular top-up values. In accordance with PRC laws, we did not issue special VAT invoices for top-up service during the Track Record Period. For certain top-up customers, we offset the revenue to which we are entitled against the prepayments they made to us. For post-paid customers, revenue derived from top-up services was recorded as unbilled receivables upon the rendering of services during the Track Record Period. As of December 31, 2021, 2022 and 2023, such receivables were approximately RMB1.5 million, RMB3.0 million and RMB5.8 million, respectively. As of the Latest Practicable Date, more than 90% of such receivables has been settled. Among

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these receivables, RMB0.6 million, RMB2.8 million and RMB5.5 million as of December 31, 2021, 2022 and 2023, respectively, were derived from a corporate customer who settled its receivables from top-up services daily. We did not experience any delays of such corporate customer’s payments for top-up services during 2021, 2022 and 2023. Our internal control procedures for managing unbilled receivables from top-up services are the same as those for unbilled receivables from query and SMS notice services. Our employees followed up with the post-paid top-up customers for unbilled receivables since the rendering of the respective top-up services from time to time to facilitate settlements. Our Directors believe that there is no material recoverability issue for top-up unbilled receivables given that less than RMB250,000 of the unbilled receivables as of December 31, 2021, 2022 and 2023 derived from top-up services as of the Latest Practicable Date were not settled.

The retention rate of our key customers of API marketplace decreased from 85.7% in 2022 to 59.1% in 2023, primarily because certain key customers who used SMS notice and query APIs ceased to use our services in 2023.

The number of key customers of API marketplace declined from 22 in 2022 to 17 in 2023, primarily because nine key customers ceased to use our API marketplace services, partially offset by the addition of five new key customers. The nine key customers ceased to use our API marketplace service because (i) we terminated our business with them due to their prolonged settlement on amounts payable to us. We have made provision for trade receivables of API marketplace services to these customers; (ii) customer’s adjustments to their business operations; and (iii) customer’s refusal to settle amounts overdue, for which we filed a claim;

The average income from our key customers of our API marketplace increased significantly from RMB8.1 million in 2022 to RMB18.3 million in 2023, primarily due to: (i) an increase in the total income from our key customers, mainly attributable to (a) a significant increase in the number of query service requests purchased by three key customers, as discussed above; and (b) an increase in the proportion of revenue contributed by query services that commanded relatively higher gross profit margins, mainly due to the increased purchases from the aforementioned three key customers; and (ii) a decrease in our number of key customers as we ended our collaboration with nine key customers that, in general, contributed relatively lower revenue, both as a part of our ordinary course of business and as a result of our focus on cultivating deeper relationships with key customers that contributed higher revenue.

Our average revenue per paying customer increased from approximately RMB8,100 in 2021 to approximately RMB13,800 in 2022, and further increased to approximately RMB28,800 in 2023, primarily due to: (i) an overall decrease in our number of paying customers, mainly attributable to a decrease in our number of low-spending paying customers; and (ii) an increase in our revenue from paying customers, mainly attributable to our strategic focus on attracting and engaging large customers that contributed much higher revenue on average than our low-spending paying customers.

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The number of active registered customers decreased from approximately 77,900 in 2021 to approximately 65,800 in 2022, and further decreased to approximately 61,700 in 2023, primarily because we ceased to offer certain APIs. The number of active registered paying customers decreased from approximately 14,900 in 2021 to 12,100 in 2022, and further decreased to 10,700 in 2023, which was in line with the decrease in the number of active registered customers.

Our retention rate of paying customers of our API marketplace decreased from 38.0% in 2021 to 29.6% in 2022, primarily because we ceased to offer paid APIs, such as car ticket inquiry, car information check and driving license checks. The retention rate of paying customers of our API marketplace increased to 36.6% in 2023, primarily due to an increase in usage of multiple paid APIs by our paying customers in 2023, such as invalid mobile number checks, identity-related authentications, telecommunication operators history-related checks and IP address checks.

The number of API query requests we handled increased from 910.8 million in 2021 to 920.5 million in 2022, primarily because one large customer increased its usage. It further increased to 1,568.2 million in 2023, primarily due to the addition of new key customers and an increase in usage by existing customers, partially offset by a decrease in usage by certain existing customers.

The API marketplace price per request during the Track Record Period for SMS notice and query was lower than the price we offer on the website, primarily because we typically enter into transactions with large corporate customers based on arm’s length negotiations, with price-setting decisions made according to aggregate usage. On the other hand, service plans disclosed on our website cater to individual customers, who are typically price-takers with lower usage.

Case Studies

Tencent

We provide Tencent with APIs to authenticate identity authentication results of its end-users, as well as other information. For Wechat Work, we provide SMS notice for mobile number log-in. We also provide three-factor authentication for employees who wish to be certified as an employee of certain companies. Wechat has millions of end-users. Therefore, Tencent places great importance on end-users’ data privacy. Tencent also requires our APIs to be stable, secure and capable of handling high concurrency as it may need to handle large volumes of API requests. In terms of data security, our API marketplace has obtained the Information System Security Level 3 Protection Record Certificate (信息系統安全第3級保護備案證明) from the Police Department of Suzhou (蘇州市公安局).

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Baidu

We provide various types of SMS notice services to Baidu, including various types of notification and promotional messages. Baidu imposes stringent requirements on personal data protection. Our GB/T 22080-2016/ISO/IEC 27001:2013 has been certified to be in compliance with ISO/IEC 27001, an international standard to manage information security.

Revenue Model

In the case of query and SMS notice, we charge customers based on the number of API requests they make. For certain large customers, we enter into agreements and provide API services and settle their invoices on a monthly basis. For top-up, we earn revenue between the unit price of top-up face value offered to our customers and our cost of purchase of the same face value from telecommunications operators or service providers. Our revenue is calculated as a percentage of the total top-up face value and recognized on a net basis under IFRS 15. See “Financial Information – Significant Accounting Policies and Estimates – Principal versus Agent Consideration in Revenue Recognition”.

Revenue in connection with API marketplace is recognized at the point in time when API services are provided. For large customers with individual agreements, services are charged based on the number of requests and price for each request for the respective period. For sales contracts with fixed contract periods and fixed contract amounts, we recognize revenue over time on a periodic basis during the contract period, based on the total contract amount.

We have established a pricing group which is responsible for determining service pricing based on a vast array of data. It is also responsible for formulating guidance price for our API marketplace. We continuously monitor market prices, and adjust prices whenever necessary.

Our revenue model has generated favorable financial results throughout the Track Record Period. Our revenue derived from query services in 2021, 2022 and 2023 was RMB124.5 million, RMB145.3 million and RMB271.4 million, respectively. The average price per request for query services for the respective years was RMB0.14, RMB0.16 and RMB0.17, respectively. Our revenue derived from SMS notice services in 2021, 2022 and 2023, was RMB57.9 million, RMB70.6 million and RMB64.5 million, respectively. The average price per request for SMS notice services remained relatively stable at approximately RMB0.03 during the Track Record Period. The average price per request for query services was significantly higher than that of SMS notice services for the same year, mainly because we charged relatively high prices for certain query services, including services that handled more sensitive queries, such as identity authentication and bank card authentication. In contrast, the prices per request for SMS notice services did not vary as greatly as those for query services, and the prices per request for most of our SMS notice services were relatively low. In 2021, 2022 and 2023, the gross profit margin of our query services were 35.0%, 37.1% and 31.1%, respectively, the gross profit margin of our SMS notice services were 11.6%, 15.4% and 11.5%, respectively, and the gross profit margin of our top-up services were 84.6%, 87.3% and 83.2%, respectively. For the analysis of our revenue derived from API marketplace by service type, see “Financial Information”.

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Data Management Solutions

We provide comprehensive data management solutions to corporate and government organizations. Our solutions primarily comprise three service types, including external data management, data stewardship, and data circulation. With our solutions, we enable organizations to efficiently collect, process, govern, share, and utilize data while preserving privacy and security, achieving digital transformation. Our data management solutions offer the following key benefits:

- ***Promote efficiency through external data management:*** We empower our customers to leverage market data and services, enabling them to focus on business innovation while benefiting from faster and more convenient access to external data in a safe and compliant manner. With the help of our data management solutions, corporate organizations can introduce, access and manage external data sources for multiple departments. By using them with corporate internal data, corporate organizations can make informed decision and manage daily operation effectively. Another example is that a textile manufacturing company can generate the correct ingredient composition for each color used in batches of the textile company’s textile products, thereby reducing the reliance on human experience and improving consistency across batches. Governments may use a centralized platform to integrate and manage data from different government departments. This approach is more efficient as compared to allowing each department to introduce, manage and use data source separately and in a non-coordinated manner. See “– Case Studies” for the specific examples of these business innovations.
- ***Empower data through optimized data stewardship:*** We assist our customers in achieving comprehensive integration and governance of their internal database, allowing them to build standardized data assets within their organizations. Data can be collected in different formats. For example, a company that requires each employee identification number to start with “JH” may encounter an instance where one employee’s ID was erroneously inputted starting with “RH”. The place of residence should be marked as a four-digit number, each representing a municipality in China, whereas a particular employee’s place of residence was erroneously marked Chinese characters, “湖北襄樊”. Such disparities in data formats are typically referred to as “heterogeneous”. Heterogenous data creates difficulty for governments and corporate organizations to ascertain. Data stewardship addresses the difficulty by unifying the standard. Data with unified standard is ready for output and utilization through APIs.

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Employee ID	Name of Employee	Gender	Age	Types of Documents	Nationality	Place of Residence	PRC Identification Number	Employment Commencement Date	Length of Service (years)
JH2019001	张明	0	39	1	1	1004	44010219800101001X	2019.5.06	2.5
JH2019001	张明	0	39	1	1	1004	44010219800101001X	2019.5.06	2.5
JH2019002	李强		35	1	1	2003	36010219840516001X	2019.05.16	2.4
JH2019004	王红	Null value	35	1	1	9008	44010219840516001X	2019.6.05	2.4
JH2019003	陈刚	0	38	The length does not meet the standard	1	3015	36010219840516001X	2019.06.15	2.4
JH2020194	周丽	0	35	99999	1	2402	44010219840516001X	2020.05.06	1.5
JH2020283	赵小	0	31	3	1	1983	36010219840516001X	2020.8.13	1.2
RH2099985	王刚	1	32	1	1	湖北襄樊	Y99501010101192Z	2021/9/21	0.1333333

Numbering rule does not meet the standard

Code dictionary does not comply with international standards

Code dictionary does not comply with international standards

Data type does not meet the standard

Data does not meet the numbering rule

Storage format does not meet the standard

Numerical precision does not meet the standard

Duplicate data

- Facilitate full release of data value:** We help our customers establish exchange of data systems that enable seamless data sharing among internal departments or foster data circulation with upstream and downstream business partners, unleashing the value of data. Data management solutions make data available for sharing and utilizing, which we refer to as “empower”. For example, a corporate organization may wish to share the supply chain data and relevant analytics with its suppliers, so that suppliers could optimize their warehouse management and manufacturing process.

Our data management solutions employ five products: *APIMaster*, *DataArts*, *QuickBot*, *SmartShield* and *AnchorChain*. Based on customer needs, each product can function independently or in conjunction with others to achieve the specific service type for each project. Data management solutions are customized in the following aspects: (i) we choose one or more products (i.e. *APIMaster*, *DataArts*, *QuickBot*, *SmartShield* and *AnchorChain*) to create a data management solution; and (ii) in addition to products, data management solutions may, based on customer needs, provide a small amount of additional customized code and additional components to offer specific functionality. Examples of such additional components include adaptation and integration with specific types of data warehouse, customized style of data marketplace portals, and unique encryption algorithms.

APIMaster

APIMaster provides lifecycle management services for APIs, facilitating corporate and government organizations in API procurement, integration, application, management, and operation. *APIMaster* collects data from different sources inside and outside an organization. *APIMaster* creates a suite of preset APIs based on the customer’s requirements and uses them to exchange data that it has collected internally or externally, and/or connect with external data sources available on our API marketplace. *DataArts* cleanses and processes data, after which data adheres to a unified standard. *APIMaster*’s monitoring and alert sub-systems offer supervision and risk control for APIs, including security situation awareness and anomaly warnings. *APIMaster* also manages authorization, API access, and, where payment is involved, metering, billing, and checkout services. Unlike APIs offered on our API marketplace which

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are more standardized and typically provide a single purpose or application, APIs created by *APIMaster* are tailored to each customer and typically involve multiple purposes and applications. As such, *APIMaster* would not reduce the future needs on our API marketplace.

Set forth below are two illustrative examples:

A company can create a centralized platform using *APIMaster*, in conjunction with our other products, to connect data and APIs from power companies, gas companies, broadcasting and television companies, and banks. Through the integration and unified output of data and APIs by *APIMaster*, the centralized platform can provide a variety of APIs, allowing customers to offer functionalities such as utilities payment, credit card repayments, cable TV channel purchases, coupon distribution, or identity verification functions on their website or mobile app for end-users. Without this centralized platform, customers might not be able to directly choose one or more functionalities they want on a single platform but would need to negotiate individually with the data and API sources being introduced. *APIMaster* can also provide real-time monitoring for this centralized platform, sending alerts to the company about any malfunction of APIs.

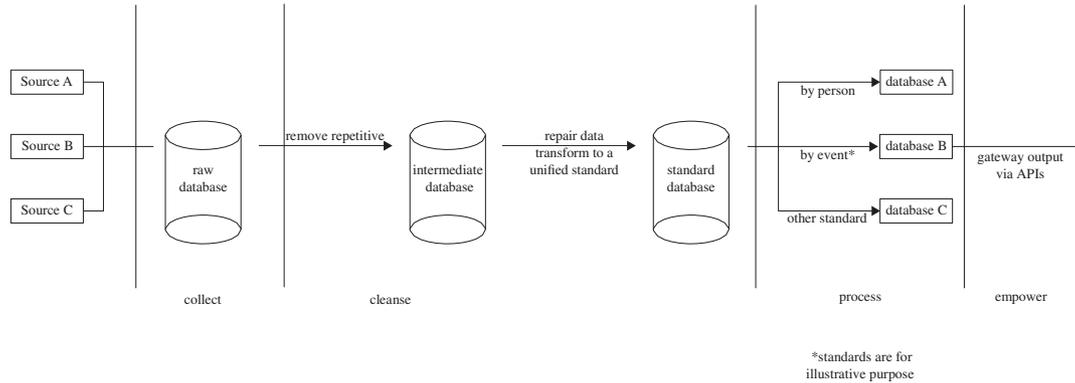
Data management solutions can assist a state-owned securities company in generating APIs for its databases, which contain information relating to publicly listed companies and securities. The platform then outputs data. Prior to release, the platform performs administrative functions such as subscription management, authorization, platform monitoring and alert, channel management and security control.

DataArts

DataArts is a data integrated stewardship platform which collects, cleanses and processes data to empower data. Data source can be in diverse structures and formats from multiple sources. By cleansing data and building database based on common features, such as whether data is related to a particular event or person, and conducting data analytics, *DataArts* transforms data to a unified standard that is ready for output and utilization through APIs. *DataArts* operates in four phases: collection, cleansing, processing, and empowerment. In the first phase, *DataArts* collects data from diverse sources in different structures and formats, including those with and without API. This data is then stored in a raw database. In the second phase, data cleansing takes place, which involves removing repetitive data and transferring it to an intermediate database. *DataArts* then repaired data in question and, together with the data in the intermediate database, transforms the data to a unified standard and transfers it to a standard database. The third phase involves building database based on common features, such as whether data is related to a particular event or person. In the final phase, *DataArts* creates APIs to output the data with monitoring and management through our API gateway.

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The process is illustrated in the chart below:



QuickBot

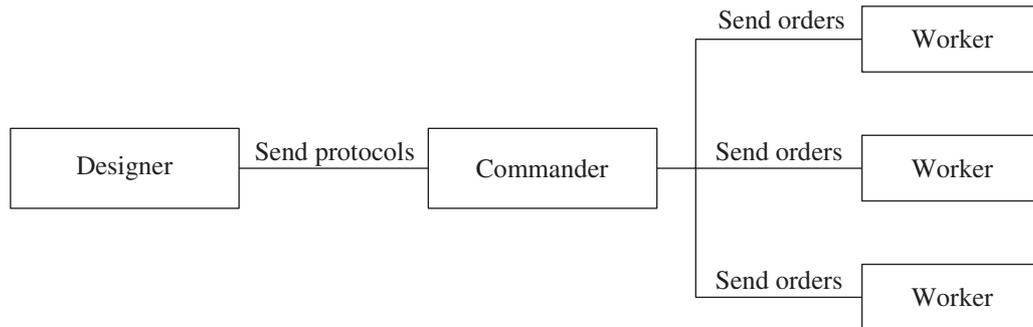
QuickBot is an RPA software designed to execute basic and repetitive tasks with a certain pattern. It simulates human operations on computers through pre-set rule-based processes, helping customers improve efficiency and reduce costs. It has three main application scenarios:

- (a) It can process and simplify repetitive tasks. For example, it can assist accountants in handling financial data and reports or help personnel from forensic appraisal institutions in generating data reports in batches. For purposes of illustration, assume that a forensic appraisal institution that, upon initiating forensic examination, must open case files across three distinct systems: one for sharing with the local government legal department, another for process management, and a third for the internal finance system. These systems cannot directly connect with one another. Yet, it is crucial that any update in information is simultaneously reflected across all three systems. A traditional solution might involve an employee manually inputting the same information into each of these systems. However, with *QuickBot*, the institution can establish automated mechanism to seamlessly input data into all three systems whenever there is an update.
- (b) It can facilitate monitoring tasks. For example, it can assist customers in system inspections every hour or regularly check mailboxes and import attachments into other systems.
- (c) It can eliminate data silos. For instance, it can input the same data in two systems that are isolated from each other, which ensures consistent and updated data between the two systems even when they are not connected with each other.

QuickBot comprises a designing component, a commander component and several executing working components. Protocols can be developed and tested with a graphic configuration interface or *QuickBot* can summarize a protocol by observing a screen recording. Once a protocol is confirmed by the customer, the designer sends protocols to a commander, which will issue orders to workers to complete the work according to the protocols.

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The chart below illustrates the structure of *QuickBot*:



SmartShield

SmartShield is a privacy computation tool that addresses the issue of privacy protection in data exchange. *SmartShield* is equipped with a variety of computation algorithm models, including federated learning, multi-party secure computing, and zero-knowledge proof. Customers can perform data privacy-preserving computation and analytical processing via a visually intuitive low-code development platform, which significantly reduces the research and development costs for our customers. *Smartshield* primarily utilizes federated learning combined with secure multi-party computation to achieve its goals. Multi-party computation is a cryptography technique that allows multiple parties to compute a function on their data without revealing their inputs to each other. *SmartShield* utilizes federated learning in two phases to ensure privacy and security of data. In the first phase, *SmartShield* trains component models on each independent database. Then, in the second phase, component models use a series of secure operations to form a model that can achieve the desired function on their private data without any party having access to the other parties’ inputs. This ensures that each party’s data remains private and secure throughout the process.

As an illustration, consider a scenario where a commercial bank aims to develop an analytical tool to assess each mortgage application using a credit profile. The bank could deploy *SmartShield* to train individual component models across multiple isolated databases: the tax authority, pension funds, and credit card payment histories. The component models can be put together to form the desired analytical tool to assess each mortgage application. This process is called federated learning. When the bank receives a mortgage application, a comprehensive model, comprising these individually trained component models, conducts a multifaceted assessment, balancing various factors. This delivers a conclusion regarding the applicant’s creditworthiness. This process ensures the bank gains valuable insights without directly accessing sensitive information from each database, preserving privacy while facilitating informed decision-making.

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AnchorChain

AnchorChain is a consortium blockchain tool to ensure the security of data circulation distributed ledgers. In a data circulation distribution ledger, the information is not stored in a centralized database. Instead, copies of the ledger are maintained across a network of computers, commonly called nodes. When a new transaction or data entry occur, it is broadcast to all nodes in the network. Each node in the network independently verifies and validates the transaction. Once a consensus is reached among a majority of nodes that the transaction is valid, it is added to the ledger as a new block. This process, known as consensus mechanism, ensures that the data on the ledger is secure, transparent, and tamper-proof. It facilitates collaboration among multiple parties within a process that is open, transparent, tamper-resistant, and traceable. The tool is particularly useful in scenarios that require collaboration among various organizations. For example, with *AnchorChain*, corporations can securely receive information from their suppliers and customers, and easily conduct “tracing”. In the context of blockchain, “tracing” refers to the ability to track and authenticate the entire journey of a transaction, asset, or data point as it moves through a blockchain network. Due to the inherent transparency and immutability of blockchains, every transaction that occurs is recorded in a tamper-proof manner, enabling precise traceability. By leveraging blockchain technology, *AnchorChain* ensures the safety of dataflow and promotes secure collaboration among parties.

Service types

Corporate and government organizations use our solutions to empower three main service types:

External Data Management

Our solution for external data management empowers corporate and government organizations to systematically manage external data and seamlessly connect external data with their existing business systems in a secure and effective manner which we refer to as “integration with other’s system”. Our solutions can also integrate data silos in customers’ systems non-intrusively using RPA technology and low code/no code quick access and technology. Our data management solutions can connect with data silos in customers’ systems and further cleanse, process and further output them, which we refer to as “integration with data silo”. Another approach to integrate customers’ systems would be to cooperate with the developer of the system and alter a customer’s system. In contrast, our RPA technology enables integration without changing the existing system. As an illustration, suppose the existing system A of a manufacturing company needs to request millions of pieces of order related information. The existing system B, not having developed APIs to release such information to system A, would require millions of manual requests and manual checks to generate such information, which is time-consuming and not practicably feasible. Another approach is to work with the developer of the existing system B to alter the existing system B, so that it can provide the information required via APIs. However, this approach can be time-consuming and costly. Using our approach, however, our developers would not need to work with the

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developers of the existing system B to generate APIs which could output such information. This solution facilitates the customer’s utilization of external data sources. Customers can therefore minimize operational costs and enhance efficiency. Our low code quick access technologies, including no-code API access technology, visual integration technology, and API generation technology, enable our customers to seamlessly integrate our data management solutions with their existing systems. For details, see “– Our Technologies – Low Code/No-code Quick Access”.

Data Stewardship

Data stewardship offers effective end-to-end management of data acquisition, processing, construction, management, and utilization by performing data cleansing and intelligent data analytics on the raw heterogeneous data. Our data stewardship solution is distinguished by its user-friendly design. The user-friendly experience is mainly reflected in the following manner: (1) our data stewardship allows dirty data filtering, data cleansing, standard unification and data asset storage in one step, which simplifies multi-process handling, monitoring, checking, and tracing, and enhances the convenience of an otherwise complex operation; and (2) the automated modules, such as data quality verification rules and data quality assessment reports, reduce human participation, sparing customers from heavy operations. With a graphical interface, customers can configure strategies for metadata, data standards, quality checks, data extraction tasks, and cleansing processes.

Data Circulation

Our solutions enable customers to facilitate data flow and exchange within or across organizations or provide data products to the public. Our solutions assist customers in quickly generating APIs for their databases or applications, enabling the establishment of operating platforms for data circulation. Moreover, we leverage privacy-preserving computation and blockchain technologies to enable data value circulation while protecting data privacy. These capabilities allow us to offer comprehensive solutions that assist businesses in fully unlocking the potential value of data.

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Key Operating Metrics

The table below sets forth selected key operating metrics of our data management solution business:

	Year ended December 31,		
	2021	2022	2023
Number of projects delivered to and accepted by the customers	20	22	62
Number of projects delivered to and accepted by government customers . .	2	4	20
Number of projects delivered to and accepted by SOE customers	5	9	29
Number of projects delivered to and accepted by other customers	13	9	13
Number of projects delivered to and accepted in loss	–	–	–
Total revenue (<i>in millions of RMB</i>)	65.3	105.4	99.0
Number of customers	18	21	28

* For the avoidance of doubt, the number of customers were calculated by consolidating contracting parties who controlled each other or were under common control based on the information provided by the contracting parties.

We did not have any data management solutions projects that incurred losses during the Track Record Period, primarily because we evaluate the cost for each project before we provide a quote or make a bidding proposal, as required under our project management operation manual (項目管理操作指引). In addition, a substantial portion of the cost for each project comes from the labor costs of our programmers, who are paid at a fixed salary on a monthly basis and therefore we are unlikely to incur substantial unexpected costs. Our project contracts also include clauses of payment milestones or payment time point, which reduces our credit risk for each project.

Our number of projects delivered to and accepted by the customers remained steady in 2021 and 2022, and increased to 62 in 2023. The total revenue derived from data management solutions decreased from RMB105.4 million in 2022 to RMB99.0 million in 2023, primarily because in 2023 we provided a large number of a new solution, “data police”, which required little customization and each project contributed to a small amount of revenue as compared to revenue from more customized solutions.

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Case Studies

A textile company

Background: A textile manufacturer in Suzhou, China, sought to transform its operations and increase its competitiveness through intelligent manufacturing. During this process, it identified several key challenges:

- *Data Integration*: it faced the issue of dispersed data across various systems, hindering effective utilization.
- *Process Optimization*: The traditional manual-based approach at the textile company relied heavily on human experience, which posed challenges in knowledge transfer and efficient onboarding of new employees.
- *Warehouse Management*: the textile company struggled with warehouse management issues such as disorganization, limited space, and inefficiencies in inventory management.

Solution: To address these challenges, we implemented an integrated platform that leveraged *APIMaster* and *DataArts* technologies. This platform cleansed, processed, and integrated diverse data sources. We installed sensors on production lines and machines to collect real-time data. By automating data collection and analysis, the platform monitored and proceeded with production steps automatically under human supervision. In cases where human action was required, the platform would send reminders to the persons who were responsible for the action. Moreover, the platform could generate the correct ingredient composition for each color used in batches of the textile company’s textile products, thereby reducing the reliance on human experience and improving consistency across batches. Additionally, the platform tracked machine utilization and would temporarily stop machines to reduce energy consumption. Warehouse management was also digitalized, with the platform automatically managing inventory by tracking labels on materials and products. It also controlled transportation vehicles to facilitate material delivery to production lines and product retrieval to the warehouse. The platform also leveraged *Smartshield*, a federated learning tool for cross-domain data analytics on suppliers’ data, which helped the textile company to optimize the supply chain management without compromising specific suppliers’ data.

Key Benefits:

- The platform created a centralized repository of valuable data assets, enabling efficient data management and utilization.
- By automating various processes, the solution reduced the dependency on individual expertise, thereby promoting production efficiency.

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- Through automation and real-time monitoring, the platform improved the overall production process, reducing delays and errors.
- The platform enabled efficient and effective management of warehouses, optimizing space utilization and inventory control.
- By tracking machine utilization and implementing intelligent control, the solution helped the textile company reduce energy consumption.

A municipal service authority

Background:

A municipal service authority planned to establish a platform to collect data from governmental departments and use the data to promote social governance. Various governmental departments possess data needed by this municipal service authority. However, data was stored in databases of different governmental departments and databases of each district or county government were often in different formats and seemingly unrelated. Furthermore, there was no system to process the data and provide data to the governmental departments, such as district level coordination working groups, that needed them.

Solution:

The municipal service authority adopted a system which was customized based on *DataArts* and *APIMaster*. *APIMaster* efficiently integrated data from multiple heterogeneous sources into a data warehouse. *DataArts* removed duplicate data, and performed data quality checks. For defective data, *DataArts* traced back to its source and made efforts to repair it. *DataArts* then categorized data by subjects and topics, such as crackdown on organized crimes or certain incidents. *APIMaster* generated hundreds of APIs to output the cleansed data. Government departments can acquire data through these APIs. This solution enables the municipal service authority to provide data analytics and application to the different departments that demand near real-time responses.

Key Benefits:

- overcomes inefficiencies caused by multi-source heterogeneous data;
- facilitates exchange of data and data-sharing among governmental departments; and
- supports massive simultaneous queries.

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An industrial park

Background: An industrial park established data warehouse through its departments, completing the gathering of data related to individuals, business organizations, and subject-related data. To support digital economy and provide efficient public services, this industrial park needed a unified platform that could integrate and leverage these databases, enabling identity authentication, sharing digital licenses, conducting optical character recognition and providing secured communication channels.

Solution: By leveraging *APIMaster* and *QuickBot*, we developed an Intelligent Central Hub solution that seamlessly integrates the databases of various bureaus and offices. Our no-code access technology enables a connection between the existing systems of these entities and the Intelligent Central Hub, eliminating data silos without making significant system modifications. Intelligent Central Hub modified existing APIs and created new APIs to provide standardized output. Through the Intelligent Central Hub, government departments of the industrial park can access continuous and standardized data services, facilitating the sharing of public data resources.

Key Benefits:

- enables rapid integration of diverse and heterogeneous data sources;
- significantly reduces the cost of cross-department integration;
- supports reuse of existing APIs and rapid creation of new APIs; and
- establishes an open marketplace for government digital resources, facilitating cross-department data service sharing and promoting efficiency.

A local emergency management bureau

Background: A local emergency management bureau is responsible for supervising the production safety of corporate organizations within a region. It relies on data from four sources: data collected by sensors installed on the equipment of corporate organizations, video surveillance from various corporate organizations, data derived from inspections and penalty record and data from accidents. Possible challenges in such process include how to ensure the data can be collected and properly recorded, free from tampering.

Solution: We developed a comprehensive safety production predictive warning and monitoring system for this bureau, leveraging the capabilities of *AnchorChain*. The system, by utilizing blockchain technologies, creates a decentralized ledger for corporate organizations and this bureau to upload data. The data was synchronized to a trusted database, which can be used to verify whether data has been tampered. These data can be used to train models to identify unusual circumstances, such as an abrupt increase in dust particles in a chemical production factory, to identify potential production risks. This bureau can then issue warnings to the respective corporate organizations.

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Key Benefits

- ensures an authentic and tamper-proof data source; and
- provides warning on unusual production circumstances and prevents accidents.

Revenue Model

Our data management solutions primarily follow a project-based pricing model, where customers are generally billed for the products and platform development according to payment terms agreed with customers. Platform construction fees are typically charged for the implementation of the data management platform. Additionally, in certain cases, we may also charge fees for supporting operational services and consulting services based on specific customer requirements. Revenue derived from data management solutions is recognized when the data management solution and related services are delivered to and accepted by the customers. In 2021, 2022 and 2023, revenue derived from data management solutions were RMB65.3 million, RMB105.4 million and RMB99.0 million, respectively.

We established a project management committee to evaluate the request for proposed potential projects. In case that no consensus is reached, our CEO shall have the right to make final judgment on whether we could accept the project. Our project management committee comprises the head of the business team which discovered the potential projects, the general manager of project operation center and our CEO, joined by head of other departments if necessary. We determine the price based on a combination of factors, such as budget of the bid inviter, labor costs and required investments in resources, delivery and development costs, pre-sales consulting, and technical operations.

When we participate in a government bidding process, we also take the budget of the tender into consideration. A bidding shall be reviewed by the head of sales team and approved by the head of department. Any project with a bidding price above RMB2.0 million shall also be approved by our CEO. In 2021, 2022 and 2023, three, four and 12 of the data management solution projects went through a bidding process, measured by the signing date of the relevant project agreements, representing RMB35.8 million, RMB17.1 million and RMB19.3 million of the total project value, respectively. In 2021, 2022 and 2023, we participated in 14, 15 and 21 bidding process, respectively. Our bidding success rate was 21.4%, 46.7% and 66.7%, respectively. The bidding process typically requires us to make a deposit of 2% of our bid price, which is capped at RMB800,000. The deposits we made to participate in the data management solution project bidding process were RMB925,828, RMB309,100 and RMB678,600 in 2021, 2022 and 2023, respectively. As of the Latest Practicable Date, all deposits we made for the same years were refunded to us.

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OUR TECHNOLOGIES

Technologies are the backbone of our service offerings. Over the years, we have developed series of proprietary technologies, which enables us to compete effectively. Our technology has powerful competitive advantages in low latency, stability, security, flexibility, scalability, accessibility and ease of use. For example, our high-performance API gateway uses canary deployment, which provides API stability and scalability. This technology also enables a low-latency API response. Our multi-channel intelligent routing technology enhances the stability of the API by consolidating multiple APIs into one, improving flexibility while reducing complexity and making APIs easier to use. Our API safety management technology provides security for API transmission. Our low-code/no-code quick access technology makes the API easy to use and accessible. We employ the following key technologies:

- **Low Code/No-code Quick Access:** Our proprietary low code quick access technologies, including no-code API access technology, visual integration technology, and API generation technology, enable our customers to seamlessly integrate our data management solutions with their existing systems. No-code access technology enables customers to swiftly integrate data management solutions with their systems, reducing the need to involve professional technicians for development. Non-professional software developers can access APIs with different technical standards without coding, thereby improving the efficiency of API integration, access, and management. Visual integration technology enables customers to combine multiple component APIs graphically to create new integrated APIs or set up workflow protocols. This technology is mainly utilized by *APIMaster* and *QuickBot*. API generation technology supports the conversion of database tables to standard, transparent and fine-grained APIs with configuration wizard or SQL. This technology is mainly utilized by *APIMaster*.
- **High-Performance API Gateway:** High-performance API gateway technology enables high-speed network protocol processing. Utilizing canary deployment and elastic expansion, our services and solutions require less server resources to achieve high performance. In addition, elastic expansion reduces resource consumption, hardware costs, and carbon emissions during low-load periods. Canary deployment allows for controlled impact of version changes, contributing to improved system stability and customer satisfaction. High-Performance API Gateway is mainly utilized by *APIMaster* and API marketplace.
- **Multi-Channel Intelligent Routing Technology:** Multi-channel intelligent routing technology utilizes a visual routing configuration, allowing customers to easily configure the routing rules for APIs. It also supports combination strategies that allow multiple APIs to be combined to form a single API, providing greater flexibility and customization. It supports APIs to adjust channel weights and remove abnormal channels, which improves the stability and performance of the APIs. This function ensures that requests are automatically routed to the most suitable channel, reducing downtime and improving customer experience. These mechanisms ensure the stability of APIs and enable customers to select the most appropriate routing method based on their needs and resource availability. Multi-Channel Intelligent Routing Technology is mainly utilized by API marketplace and *APIMaster*.

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- **API Safety Management Technologies:** API Safety Management Technologies address the concerns of data tampering and data leakage during API transmission, as well as the risk of network attacks initiated through APIs. *APIMaster* employs three types of API safety management technologies: bidirectional encryption, risk awareness and automated management and data security audit. API bidirectional encryption enables encrypted transmission of data during the use of APIs, thus enhancing the security and reliability of API data transmission. It protects data from replay attacks, data tampering, and leakage. The transaction details shall be irreversibly redacted for sensitive information and stored for a reasonable retention period for accounting purpose. Our proprietary API risk awareness and automated management technology ensures data security and confidentiality. It monitors the proper functioning of APIs and blocks security risks. Through its machine learning, API marketplace is also capable of predicting risks and optimizing settings to avoid risks. API Data Security Audit functions as a complement to the API risk awareness and automated management technology. It identifies, audits and analyzes abnormal data circulation.
- **Data Cleansing Technologies:** Data cleansing technologies aim to improve the quality of data, such as their accuracy, timeliness, completeness, consistency, and effectiveness, thereby achieving better data quality and ensuring data security. These technologies facilitate the exchange of data among different departments by generating high-quality data, making them readily available for output through APIs. It also makes data ready for further analysis to support decision-making and risk management.
- **RPA:** We utilize two types of RPA proprietary technologies on our *QuickBot*: Non-Intrusive API builder and RPA-based sensitive credential protection technology. Non-Intrusive API builder enables customers to generate APIs by operating in a graphic form without redeveloping customer's existing IT system. It shortens the development time of APIs and decreases reliance on experienced programmers. RPA-based sensitive credential protection technology ensures the security of sensitive data and reduces the risk of data leakage. This technology is also utilized by our *SmartShield*.
- **Privacy-Preserving Computation Technologies:** Service quality management technology optimizes the efficiency of cross-domain data computation by scheduling of network and computing resources in privacy-preserving computation tasks. Our privacy-preserving computation technology optimizes the coordination between hardware and software. To ensure high-quality service, the technology employs three key strategies. First, it establishes models to set priorities for tasks and allocate network and computing resources accordingly, leading to more efficient and effective task execution. Second, it supports decentralized matching based on smart contracts, which can automate data collaboration and reduce the need for human intervention. A smart contract is a program stored on the blockchain that runs when predetermined conditions are met. This feature can significantly improve the

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efficiency of privacy-preserving computation tasks. Finally, the technology offers privacy security audit capabilities based on knowledge graphs, which provide a graphical representation of the relationships between data and privacy risks. This allows customers to identify potential risks in a more easy-to-understand manner. The knowledge graphs can also enhance the transparency and interpretability of the privacy protection mechanisms employed in the technology. We utilize privacy-preserving computation technology on our *SmartShield*.

- **Blockchain:** We utilize two types of blockchain-based technologies on our *AnchorChain*: (i) data intelligent semantic registration and matching; and (ii) data trust transfer. Leveraging the tamper-proof features of blockchain technology, our data intelligent semantic registration and matching technology registers data on the blockchain, to affix data ownership. This technology utilizes cryptographic techniques of blockchain to protect the privacy of both data providers and customers. By generating smart contracts, data intelligent semantic registration and matching enables automatic matching of data transaction parties, enhancing the efficiency and accuracy of data circulation. Our trust transfer technology ensures that the data input by multiple parties is traceable. The technology uses knowledge graphs to visualize ledger data and supports the elastic expansion of the blockchain to handle requests with scalability.

RESEARCH AND DEVELOPMENT

Research is at the core of our business. We invest substantial human and capital resources in research and development. Our research efforts enhance the existing solution offerings and incubate new technological initiatives. We incurred RMB16.9 million, RMB26.3 million and RMB24.3 million of research and development expenses in 2021, 2022 and 2023, respectively, accounting for 6.5%, 8.0% and 5.5% of our total revenue during the respective years, respectively.

As a part of our commitment to maintaining a robust, innovative approach to the application of data technology, we recognize the integral role of novel technologies in the continued development and enhancement of our API marketplace and data management solutions. Our focus centers on the protection of data privacy and security. We continually strive to reduce dependence on third-party software and foreign infrastructure solutions, thereby enhancing our ability to safeguard vital data.

Our experienced programmers and engineers are the backbone of our research and development efforts. As of December 31, 2023, we had 104 research and development employees, representing 55.0% of our total headcount. Our research and development team includes data scientists, computer scientists and software engineers. Among them, eight hold a masters’ degree and 89 hold a bachelors’ degree. We plan to recruit experienced software development engineers, operating and maintenance engineers, internet engineers and architects in the next three years. See “Future Plans and [REDACTED]” for further details.

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Product Planning

To introduce a new standard API to our API marketplace, our business department and the procurement department discover market demand and conducts in-depth market research to find APIs that match the demand. The business team reviews such APIs from the perspective of meeting customer needs and market potential. Our risk management department evaluates the new API from a compliance perspective. The technical team reviews the API's compatibility with our platform integration requirements. Once all these steps have been taken, we will release the new API.

The steps of our development process for data management solution projects vary case by case. The order of the steps may also vary in different cases. We identify the potential customer demands by discussing with their representatives, conducting due diligence to understand their current IT system, analyzing the advantages and drawbacks of the current IT system and collecting relevant public information, with a view to understanding the areas that the customer is interested in promoting digitalization and their goals and strategies. We also conduct an in-depth demand assessment, which helps us to understand prospects of similar projects in the future. After these steps, we will formulate a customized data management solution based on customer requirements. We typically participate in the bidding process or by competitive negotiation to acquire projects. For the following steps, we proceed differently, depending on whether the customer is a government entity, an SOE or other customers. In the case of a government entity or SOE, we prepare and develop the data management solution, which may include coding, building the customer interface, and testing product functionalities. Close communication with government clients is crucial during the product development phase in order to timely report development progress and issues and make product adjustments and improvements according to clients' needs. We conduct trial tests and collect feedback on issues the data management solutions encountered, which in turn helps us to further optimize and improve the data management solutions. We regularly conduct marketing and promotional activities, including communication with government departments to understand their latest needs, participating in industry conferences, releasing press statements, and conducting social media marketing. We will apply for necessary certifications and awards as recognitions to the quality of our data management solutions. In the case of other customers, mainly private entities, we make efforts to further understand their specific needs, ensuring the solution meets their unique business requirements. Based on our analysis, we perform data cleansing, data migration and other works to facilitate smooth data flow integration. Then we proceed to implement the data management solution, including establishing data management protocols, formulating policies and standards, and training the customers' employees. Depending on the terms of the contract, we provide ongoing after-sales service and support and make adjustments and improvements based on customer feedback. We further maintain our relationships with the customers by regularly communicating with them, which also creates opportunities for us to understand their evolving needs. We may make recommendations for them to upgrade the data management solutions or purchase other data management solutions based on their needs. Similar to SOE and government projects, we also conduct marketing and promotional activities and apply for certifications and compete for awards.

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Ongoing R&D Projects

We place strong emphasis in our technology development, which is critical to allowing us to efficiently and effectively address the technical challenges associated with our business. Our R&D initiatives include the following:

- combine data and data-driven analytics applications to provide customers with analytics without revealing sensitive data, together with improving our solutions to fit vertical industries using authorized data from customers;
- create transaction tokens for diverse data types and specifications, which can also be exchanged with other data trading systems, together with our efforts to improve the speed of peer-to-peer data transactions through cryptographic technology;
- build a data value evaluator to rank data based on market supply and demand within a reasonable range;
- develop a plug-in system and network channel for privacy-preserving exchange of data and computation, allowing dynamic connectivity of different data service suppliers; and
- enhance computational speed for privacy-preserving data analysis by designing tailored hardware for computing and network devices.

Collaboration

We seek to expand our R&D capabilities by establishing collaboration with top universities. In June 2023, we entered into a strategic collaboration agreement with College of Computer Science and Technology, Nanjing University of Aeronautics and Astronautics (南京航空航天大学電腦科學與技術學院) (“**Nan Hang**”), laying out the general directions for our future cooperation. Pursuant to the strategic collaboration agreement, both parties will form a joint laboratory to conduct joint research and cultivate talents. The parties will jointly establish an academic committee, a joint laboratory and a general office. The academic committee is responsible for the development plan and daily operation of the joint laboratory. The joint laboratory will be led by Mr. Zheng Weiming, a Member of the Chinese Academy of Engineering (中國工程院). The general office is responsible for logistical, financing, coordination, marketing and administrative matters. We are committed to providing RMB300,000 per annum for the operation of the joint laboratory. Furthermore, the intellectual property rights of any research products arising from this collaboration will be jointly owned by both parties. The strategic collaboration agreement has a term of five years. The collaboration will focus on the design and optimization of intelligent algorithms for edge computing, system safety technology and high-performance database technology with hardware-software co-optimization, which are the general research topics set forth in the agreement. We believe this collaboration will strengthen our research capabilities and in turn, improve our technologies in future. Given that this collaboration agreement was entered into recently, as of the Latest Practicable Date, we have not conducted any joint research, applied for research on any national projects or commenced to cultivate any talents for Nan Hang.

BUSINESS

INTELLECTUAL PROPERTY

As of December 31, 2023, we had 50 registered trademarks in China, 98 registered software copyrights in China, 64 registered patents in China and four major domain names in use in China. For further details of the intellectual property rights that are material to our business operations, see “Statutory and General Information – B. Further Information about Our Business – 2. Intellectual Property Rights of Our Group” in Appendix VII to this document.

We protect our intellectual property rights through a combination of copyrights, trademarks and patents and other forms of intellectual property rights available, as well as confidentiality and licence agreements with our employees, suppliers, customers and others. We generally require our employees to enter into confidentiality agreements acknowledging that inventions, trade secrets, developments and other processes generated by them on our behalf are our property and assigning to us any ownership rights that they may claim in those works. Despite our precautions, however, third parties may obtain and use intellectual property that we own or licence without our consent. We are not aware of any such breaches of our intellectual property rights during the Track Record Period. For further details of the risks relating to our intellectual property rights, see “Risk Factors – Risks Relating to Our Business and Industry – Unauthorized use or other violation of our intellectual property rights by our customers, employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.”

We have not experienced any material disputes or claims for infringement of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

OUR SUPPLIERS

Our procurement includes purchases of data services, software, hardware and technology services. For each of the years ended December 31, 2021, 2022 and 2023, our purchases amounted to RMB160.5 million, RMB208.0 million and RMB298.6 million, respectively, representing 94.4%, 94.0% and 94.4% of our total cost of sales, respectively.

In addition, for our top-up service of the API marketplace, we arrange mobile phone top-up services on behalf of our customers primarily from third-party top-up service providers. Since the Group acts as an facilitator in these transactions, we recognize revenue from this top-up service on a net basis on our consolidated statements of profit or loss.

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Our Major Suppliers

For each of the years ended December 31, 2021, 2022 and 2023, procurement from our five largest suppliers accounted for 56.2%, 69.9% and 83.2% of our total purchases, respectively, and purchases from our largest supplier accounted for 36.3%, 42.5% and 46.3% of our total purchases, respectively. The percentage of purchases from our five largest suppliers increased substantially in 2023 compared to the percentage of purchases in 2021 and 2022, primarily due to the commencement of our cooperation with Customer L, who mainly used mobile number-related three-factor authentication API, the data supply of which was provided by Supplier A. In addition, the API requests made by Customer C mainly procured the data service supply of Supplier A. This also in turn led to the increase in the percentage of our purchase from Supplier A in our total purchase. For risks related to the concentration of suppliers, see “Risk Factors – Risks Relating to Our Business and Industry – We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration following the Track Record Period.” Our major suppliers, with whom we have maintained business relationships for a few months to seven years, are located in China. The payments we make to our major suppliers are primarily in Renminbi by way of bank transfers. All our suppliers during the Track Record Period and up to the Latest Practicable Date were based in China.

The table below sets out certain details of our five largest suppliers for each of the years ended December 31, 2021, 2022 and 2023:

2023

Rank	Supplier	Background	Subject matter of the procurement	Approximate Transaction amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Year of commencement of business relationship with us	Credit period/term
1.	*Supplier A	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice	155,903	46.3%	2017	15 – 90 days
2.	*Supplier F	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice Data management solutions	54,537	16.2%	2016	5 – 30 days
3.	Supplier C	Computer information technology development, technical services, technical consulting, technology transfer; software development.	API marketplace – Query API marketplace – SMS notice	37,866	11.2%	2023	15 days
4.	*Supplier J	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice	22,267	6.6%	2020	7 – 15 days
5.	Supplier L	Provision of big data service	API marketplace – Query	9,947	3.0%	2016	7 days

* The supplier is a group consolidating the transaction amounts of entities within such group.

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2022

Rank	Supplier	Background	Subject matter of the procurement	Approximate Transaction amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Year of commencement of business relationship with us	Credit period/term
1.	*Supplier A	Provision of telecommunications service	API marketplace – Query	83,057	42.5%	2017	20 to 90 days
2.	*Supplier F	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice	30,330	15.5%	2016	10 days
3.	*Supplier D	Provision of cryptographic service	API marketplace – Query API marketplace – SMS notice Data management solutions	8,802	4.5%	2019	Seven days
4.	Supplier H	Provision of integrated industrial internet solutions and production of I-Perception cloud platform	API marketplace – Query API marketplace – SMS notice	7,779	4.0%	2020	Seven days
5.	*Supplier I	Provision of services and products in connection with cloud data center, cloud service and big data, smart city and smart enterprise	Data management solutions	6,604	3.4%	2022	Seven days

* The supplier is a group consolidating the transaction amounts of entities within such group.

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2021

Rank	Supplier	Background	Subject matter of the procurement	Approximate Transaction amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Year of commencement of business relationship with us	Credit period/term
1.	*Supplier A	Provision of telecommunications service	API marketplace – Query	63,642	36.3%	2017	20 to 90 days
2.	*Supplier F	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice	12,680	7.2%	2016	10 days
3.	Supplier C	Computer information technology development, technical services, technical consulting, technology transfer; software development	API marketplace – Query API marketplace – SMS notice	10,079	5.8%	2019	Seven days
4.	*Supplier D	Provision of cryptographic service	API marketplace – Query API marketplace – SMS notice Data management solutions	6,757	3.9%	2019	Seven days
5.	Supplier G	Research, development, sales and service of overall data security solutions, and its main business is video security and big data security	Data management solutions	5,236	3.0%	2021	Five days

* The supplier is a group consolidating the transaction amounts of entities within such group.

- (1) Supplier A is a mega telecommunications operator in China. It mainly provides integrated information services such as mobile communications, Internet access and applications, fixed-line telephony, satellite communications and information and communication technology integration. Supplier A has operations in 31 provinces (autonomous regions and centrally-administered municipalities) and in the Americas, Europe, Hong Kong and Macau.
- (2) Supplier B mainly engages in the research and development, design and promotion of enterprise level mobile information services. It continued to deepen the construction and layout of the resource, especially regional high-quality resources, in deepening the strategic cooperation with Chinese telecommunication service providers. It focused on promoting content cooperation and business cooperation with operators in Northeast China, North China, and Northwest China, and strengthened operations with key provinces and cities.
- (3) Supplier C belongs to the industry of software and information technology services. The scope of business contains computer information technology development, technical services, technical consulting, technology transfer; software development.

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- (4) Supplier D is a leading cryptographic service provider in the industry, it is committed to promote the application and development of digital certificates, trusted identity and blockchain technology to provide security and trusted identity services for the new infrastructure in the Internet era.
- (5) Supplier F engages in the provision of voice usage, broadband and mobile data services, and data and internet application services through its subsidiaries. Supplier F has subsidiaries in 31 provinces (autonomous regions and municipalities) across China and many other countries and regions around the world. It also offers other value-added services, leased lines and associated services, and sales of telecommunications products.
- (6) Supplier G mainly engages in the research, development and providing service of overall data security solutions, and its main business is video security and big data security. It has gained insight into customer needs, plowed into industry applications, and innovative products and solutions have comprehensively covered many industries such as public security, procuratorate, emergency management and big data for government.
- (7) Supplier H is a software and hardware developer, focusing on providing integrated industrial Internet solutions such as remote equipment monitoring, big data analysis, intelligent operation and maintenance for customers of different sizes, laying a good data foundation for the information construction and intelligent construction of production enterprises. Its product – cloud platform is available for both cloud and local deployment.
- (8) Supplier I's group includes three listed companies, business covers four industry groups, namely, cloud data center, cloud service and big data, smart city and smart enterprise, providing IT products and services around the world, and meeting the needs of government and enterprise informationization in all aspects.
- (9) Supplier J is a large central enterprise in the communications industry in China. It provides full-service communications services in all 31 provinces, autonomous regions, municipalities directly under the Central Government of China and the Hong Kong, covering mobile voice and data, wireline broadband, and other communications and information services.
- (10) Supplier L focuses on big data services in the financial industry, providing customers with big data analysis services, big data mining services, customized data cloud services, and financial control cloud services.
- (11) Supplier M is a data trading center located in China. It serves the entire industrial chain of the digital economy. It trades data packets, API interfaces, big data application solutions, data trading services, etc., providing a compliant data trading venue for both buyers and sellers.

Our Directors confirm that, as of the Latest Practicable Date, (i) our five largest suppliers during the Track Record Period were Independent Third Parties; and (ii) none of our Directors, their close associates or Shareholders who own more than 5% of the share capital of our Company had any interest in our five largest suppliers.

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General Terms of Contracts with Suppliers

With respect to our major suppliers for API marketplace services (including major providers of telecommunications service in the PRC), we usually enter into different master agreements with such suppliers for a term of one to two years, which specify the unit price for each type of services to be provided by them. We will typically pay the suppliers for the service on a monthly basis with the credit period ranging from five to 90 days. The parties will maintain the confidentiality of any information obtained during the course of their business relationship, and they will comply with all relevant laws and regulations. Both parties are responsible for ensuring that they have the necessary qualifications and authorization to enter into and perform the agreement. If either party breaches the agreement, the other party may terminate and seek compensation for any direct or indirect losses incurred. The parties are also obligated to refrain from engaging in bribery or providing improper benefits to each other’s employees. Our contracts with API marketplace suppliers typically provide that the term of the agreement is one year and will be automatically renewed for an additional year, unless either party gives prior notice to object. In most contracts, suppliers commit to providing data in compliance with legal and regulatory requirements, and with authorization that does not infringe on any third party’s legal rights. They also commit to protecting all information obtained through the services with adequate measures, and not providing it to third parties for unauthorized purposes. Suppliers will also promptly and effectively respond to any data security incidents and ensure the proper classification and management of all data and record all data processing activities.

Our suppliers for data management solutions typically have their own template contract base on which we conduct negotiations. The terms of each supply agreement vary individually.

OUR CUSTOMERS

Our customers include internet companies, telecommunications operators, technology companies and other business and government organizations seeking digital transformation as well as individual app developers and technology professionals. For each of the years ended December 31, 2021, 2022 and 2023, revenue from our five largest customers accounted for 41.1%, 43.7%, and 62.3% of our total revenue, respectively, and revenue from our largest customer accounted for 11.7%, 12.4% and 20.1% of our total revenue, respectively. The percentage of our five largest customers’ revenue contribution increased substantially for the year ended December 31, 2023 as compared to the revenue contribution for the years ended December 31, 2021 and 2022, primarily due to the commencement of our cooperation with Customer L, who mainly used mobile number-related three-factor authentication API. Furthermore, our second largest Customer C expanded its services to help its customers, including commercial banks and financial institutions, to conduct promotional activities. For risks related to the concentration of customers, see “Risk Factors – Risks Relating to Our Business and Industry – We experienced customer and supplier concentration during the Track

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Record Period and may continue to be exposed to the risk of such concentration following the Track Record Period.” We have maintained business relationships with our major customers for one to eight years. The payments made to us by our major customers are primarily in Renminbi by way of bank transfers.

During the Track Record Period, we mainly provided query APIs that related to identity, bank card, mobile number, real name authentication and SMS notice, together with other types of APIs to large internet company customers. For telecommunications operators, our API service mainly include APIs in connection with mobile numbers and SMS notices with regard to Supplier A, F and J. We have also provided data management solutions to telecommunications operators for a total of 10 projects during the Track Record Period. The purchase amount of each project ranged from less than RMB0.5 million to RMB10.9 million during the Track Record Period. These projects include, without limitation, data management, API creation and operation powered by *APIMaster*; adding security technical measures and expanding the current functions of an existing platform; providing identity recognition function; providing risk monitoring, production management, warehouse management data analytics and application, and system management, functions safeguarding internet security, providing public services to certain rural areas; intelligent voice related services; WIFI establishment and internet system settings; and driver fatigue monitoring platform. We consider our cooperation with telecommunications operators and large internet company customers to be well-established because, (i) since June 2011, we have accumulated experience and technologies, enabling us to provide over 380 APIs as of December 31, 2023; (ii) since the inception of our cooperation with large internet company customers, such as Baidu and Tencent, and telecommunications operators, they have continued to use our services; (iii) large telecommunications operators and their local subsidiaries need a third-party platform to assist them in requesting other telecommunications operators’ data; and (iv) we implemented policies establishing strict prior and periodic reviews, evaluated suppliers based on five criteria and organized semi-annual comprehensive assessments. These policies ensure the quality of our data supply sources, which granted us competitive advantages. We believe the likelihood of substantial internet companies and telecommunications operators opting to establish their own APIs, thereby reducing the utilization of our services via API marketplace, to be minimal. Establishing a suite of APIs comparable to ours necessitates substantial time and financial resources. Even with the requisite determination, there is no assurance that undertaking such initiatives would yield a more financially cost-effective arrangement than procuring services directly from us.

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The table below sets out certain details of our five largest customers for each of the years ended December 31, 2021, 2022 and 2023:

2023

Rank	Customer	Background	Products provided by us	Approximate Transaction amount <i>(RMB'000)</i>	Percentage of total revenue <i>(%)</i>	Year of commencement of business relationship with us	Typical credit terms
1.	Customer J	A cloud computing service provider	API marketplace – Query	88,624	20.1%	2018	45 days ⁽¹⁾
2.	#Customer C	A professional one-stop financial technology intelligent solution provider	API marketplace – Query API marketplace – SMS notice	70,575	16.0%	2016	7 – 10 days ⁽¹⁾
3.	Customer F	An internet and AI company	API marketplace – Query API marketplace – SMS notice	62,276	14.1%	2019	35 days ⁽¹⁾
4.	#Customer L	Provision of services and products in connection with cloud data center, cloud service and big data, smart city and smart enterprise	Data management solution	28,438	6.4%	2022	60 days
5.	*Customer K	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice Data management solution	24,990	5.7%	2015	10 – 30 days ⁽¹⁾

* The customer is a group consolidating the transaction amounts of entities within such group.

Customers settled their payments through the Third-Party Payment Arrangements during the Track Record Period. Customer C and Customer L both ceased to settle their payments with us through the Third-Party Payment Arrangements after November 27, 2023.

(1) We allow this customer to settle payments to us on a monthly basis for its API marketplace purchases.

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2022

Rank	Customer	Background	Products provided by us	Approximate Transaction amount <i>(RMB'000)</i>	Percentage of total revenue <i>(%)</i>	Year of commencement of business relationship with us	Typical credit terms
1.	#Customer C	Provision of technology intelligent solutions	API marketplace – Query API marketplace – SMS notice	40,890	12.4%	2016	Seven to 10 days ⁽¹⁾
2.	##Customer B	Provision of telecommunications service	API marketplace – Query	32,734	10.0%	2016	Five to 30 days
3.	Customer F	An internet and AI company	API marketplace – Query API marketplace – SMS notice	24,516	7.5%	2019	35 days ⁽¹⁾
4.	Customer I	Local government	Data management solutions	23,480	7.1%	2020	No credit period stated
5.	Customer G	An internet technology company in China, and in the development of Internet applications and services	API marketplace – Query	22,101	6.7%	2021	15 days

* The customer is a group consolidating the transaction amounts of entities within such group.

Customers settled their payments through the Third-Party Payment Arrangements during the Track Record Period. Customer B and Customer C both ceased to settle their payments with us through the Third-Party Payment Arrangements after November 27, 2023.

(1) We allow this customer to settle payments to us on a monthly basis for its API marketplace purchases.

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2021

Rank	Customer	Background	Products provided by us	Approximate Transaction amount (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit terms
1.	#*Customer B	Provision of telecommunications service	API marketplace – Query Data management solutions	30,432	11.7%	2016	Five to 30 days
2.	Customer F	An internet AI company	API marketplace – Query API marketplace – SMS notice	27,646	10.6%	2019	35 days ⁽¹⁾
3.	Customer G	An internet technology company engaged in advertising design, software development, agency representation	API marketplace – Query	26,397	10.2%	2021	15 days
4.	Customer C	Provision of technology intelligent solutions	API marketplace – Query API marketplace – SMS notice	11,667	4.5%	2016	Seven to 10 days ⁽¹⁾
5.	*Customer H	Provision of telecommunications service	API marketplace – Query API marketplace – SMS notice	10,714	4.1%	2017	20 days

* The customer is a group consolidating the transaction amounts of entities within such group.

Customers settled their payments through the Third-Party Payment Arrangements during the Track Record Period. Customer B ceased to settle their payments with us through the Third-Party Payment Arrangements after November 27, 2023.

- (1) We allow this customer to settle payments to us on a monthly basis for its API marketplace purchases.
- (2) Customer A is a comprehensive e-commerce service provider engaged in digital commodity trading services, product promotion operations, telecommunications and internet value-added services, and convenient payments.
- (3) Customer B engages in the provision of voice usage, broadband and mobile data services, and data and internet application services through its subsidiaries. Customer B has subsidiaries in 31 provinces (autonomous regions and municipalities) across China and many other countries and regions around the world. It also offers other value-added services, leased lines and associated services, and sales of telecommunications products.
- (4) Customer C is a professional one-stop financial technology intelligent solution provider in China. It has offices and subsidiaries in major cities such as Beijing, Shanghai, Shenzhen and Ningbo. Customer C's products are widely used in the head offices of commercial banks in China, as well as insurance, transportation, education, electric power and other industries and government departments.

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- (5) Customer D is a third-party electronic authentication service provider in Guizhou Province with national license. It specializes in providing electronic authentication services, software development, information security equipment sales, information system data services and commercial cryptographic products production. Customer D provides professional services for many industries such as public prosecution, law enforcement, commercial, medical insurance, statistics, finance and health care.
- (6) Customer E is a service provider of basic communication services and industry application solutions for Internet applications. Customer E dedicates to providing enterprises with 4G technology-based communication capabilities, efficient management and personalized service solutions.
- (7) Customer F mainly engages in internet operations. It is a leading AI company. It holds the world’s leading search engine technology, making itself a Chinese high-tech company with the world’s cutting-edge scientific core technology. Based on the search engine, It has evolved artificial intelligence technologies such as voice, image, knowledge graph and natural language processing; in the last ten years.
- (8) Customer G is professional one-stop financial technology intelligent solution provider in China. It has offices and subsidiaries in major cities such as Beijing, Shanghai, Shenzhen and Ningbo. Its products are widely used in the head offices of commercial banks, as well as insurance, transportation, education, electric power and other industries and government departments.
- (9) Customer H is a mega telecommunications operator and an SOE controlled by the PRC government in China. It mainly provides integrated information services such as mobile communications, Internet access and applications, fixed-line telephony, satellite communications and information and communication technology integration. Customer H has operations in 31 provinces (autonomous regions and centrally-administered municipalities) and in the Americas, Europe, Hong Kong and Macau. The Board of Directors was established in accordance with the requirements of the State-owned Assets Supervision and Administration Commission of the State Council.
- (10) Customer I is the governmental working department that leads and manages the political and legal work of a province in China.
- (11) Customer J, Tencent Cloud Computing (Beijing) Co., Ltd. (騰訊雲計算(北京)有限責任公司), is a cloud computing service provider to provide cloud services to Chinese enterprises going abroad and overseas local enterprises. It provides basic cloud services such as cloud servers, cloud storage, cloud database and elastic web engine.
- (12) Customer K is a mega telecommunication operator and an SOE controlled by the PRC government. It provides full-service communications services in all 31 provinces, autonomous regions, centrally-administered municipalities and Hong Kong, covering mobile voice and data, wireline broadband, and other communications and information services.

During the Track Record Period, among our major customers, Customer H, Customer B, Customer K and Customer L were also major suppliers of our Group during the Track Record Period, namely Supplier A, Supplier F, Supplier J and Supplier I, respectively, as indicated in the paragraph “– Our Suppliers” above, respectively.

Customer H (Supplier A), Customer B (Supplier F) and Customer K (Supplier J) are telecommunications operators in China, which supplied data services to us in our API marketplace. In the meantime, these suppliers or their affiliates also purchased query, SMS notice or top-up services, as well as data management solutions, from us. Customer L (Supplier D)’s business covers four industry groups, namely, cloud data center, cloud service and big data, smart city and smart enterprise. Customer L (Supplier I) supplied us with software development services in connection with data management solutions and purchased three data management solutions from us in 2023.

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Revenue derived from these large customers were RMB51.1 million, RMB42.2 million and RMB65.4 million for each of the years ended December 31, 2021, 2022 and 2023, respectively, representing 19.6%, 12.8% and 14.8% of the total revenue, respectively. Our cost of sales attributable to them was RMB35.8 million, RMB26.3 million and RMB47.2 million for each of the years ended December 31, 2021, 2022 and 2023, respectively, representing 21.1%, 11.9% and 14.9% of the total cost of sales, respectively. For the respective years, the gross profit margin of the four customers were 29.9%, 37.6% and 27.8% respectively, as compared to 35.7%, 32.0% and 28.3% of other customers respectively.

The table below sets forth a breakdown of our cost of sales attributable to Customer H (Supplier A), Customer B (Supplier F), Customer K (Supplier J) and Customer L (Supplier I) for each of the years ended December 31, 2021, 2022 and 2023:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Cost of Sales⁽¹⁾			
Customer H (Supplier A)	7,815	4,252	230
Customer B (Supplier F)	21,515	19,789	8,192
Customer K (Supplier J)	6,483	2,218	16,944
Customer L (Supplier I)	4	52	21,860

(1) The cost of sales of major customers and suppliers were calculated on a consolidated basis, including their respective affiliates.

The table below sets forth a breakdown of our gross profit attributable to Customer H (Supplier A), Customer B (Supplier F) and Customer K (Supplier J) for each of the years ended December 31, 2021, 2022 and 2023:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Gross Profit⁽¹⁾			
Customer H (Supplier A)	2,899	904	115
Customer B (Supplier F)	8,921	12,945	3,482
Customer K (Supplier J)	3,446	1,753	8,045
Customer L (Supplier I)	3	239	6,577

(1) The gross profit of major customers and suppliers were calculated on a consolidated basis, including their respective affiliates.

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In connection with API marketplace, we procured data supply from Supplier A, Supplier F and Supplier J, which was mainly related to mobile numbers and SMS notices during the Track Record Period. Supplier F during the Track Record Period has provided us software development related services in connection with a data management solution related to an in-vehicle anti-fatigue cloud system. Customer L is a group with three listed companies. We provided three data management solutions to them and received software development services for seven data management solutions during the Track Record Period.

Our Directors confirm that, as of the Latest Practicable Date, (i) our five largest customers during the Track Record Period were Independent Third Parties; and (ii) none of our Directors, their close associates or Shareholders who own more than 5% of the share capital of our Company had any interest in our five largest customers.

General Terms of Contracts with Customers

We typically provide API marketplace services by entering into standard contracts with our customers. Customers can make prepayments to their accounts. In the contracts, our customers typically warrant that they will comply with applicable data privacy laws, have acquired proper data authorization, and will not misuse our services. Our customized service agreements with API marketplace customers typically provide that the term of the agreement is one year and is not subject to automatic renewal. Either party may terminate the agreement in cases of breaches or bankruptcy of the other party.

While we enter into standard contracts with most of our API marketplace customers on our website, we also enter into customized service agreements with certain major and strategic customers who contributed more than 50% of our revenue derived from API marketplace for each of the years ended December 31, 2021, 2022 and 2023. For customers who enter into standard contracts on our website, they may register an account on our website and may purchase services with pre-paid balance in the account. However, we settle payments on a monthly basis with certain major and strategic customers. These customers are given a longer period to settle payments with us as we seek to build or maintain relationships that we believe will enhance our business. For each of the years ended December 31, 2021, 2022 and 2023, customers with whom we settle on a monthly basis constituted approximately 0.8% to 1.1% of the active registered paying customers in the respective year. The credit period for our API customers as stipulated in customized service agreements ranges from five to 60 days upon issuance of invoice.

For customers who settle their payments on a monthly basis, we recognize revenue every month based on their actual usage and the agreed unit price of the current period. Among our top ten customers for each of the years ended December 31, 2021, 2022 and 2023, the average number of days between our recognition of revenue and the issuance of invoices was 57.5 days, 53.7 days and 42.3 days, respectively. The settlement process consists of three stages:

In the first stage, we recognize revenue and make available to our customers a record of the number of API requests the customers made in the previous month as well as the amounts to be charged.

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In the second stage, the customers check our records against their own records. If the customers believe there are discrepancies, they discuss the matter with us and we work together to reconcile the record. For each of the years ended December 31, 2021, 2022 and 2023, the discrepancy ratio, as measured by the differences between our endorsements and our customers’ endorsements, was 0.36%, 0.03% and 0.05%, respectively. After further review and discussion, we and the customers will agree on the number of API requests and the amounts to be charged.

In the third stage, the customers undergo their internal protocols to initiate the payment process. Once the customers inform us that their internal protocols have been satisfied, they will request that we issue an invoice.

A small number of customers of API marketplace contributed a large portion of our revenue derived from API marketplace. For example, in 2023, while we had approximately 10,700 active registered paying customers, the top 1% of our active registered paying customers accounted for 97.3% of our revenue. These top 1% customers typically have stronger bargaining power and may request that they settle payment at a later period. We provided data management solutions to a limited number of customers during the Track Record Period. In 2021, 2022 and 2023, our number of data management solution customers was 18, 21 and 28, respectively. We believe that many of these customers of API marketplace and data management solutions offer strategic value to our business: they not only provide us with revenue, but also enable us to keep abreast of industry trends. They may also introduce us to future market opportunities. Moreover, we have years of relationships with many of such customers, including nationally reputable or even world-renowned companies. Even though their receivables may be prolonged, we have not historically experienced any material effect on the recoverability of prolonged receivables.

Our trade receivables tend to be higher when there are a larger number of post-paid customers who pay only after services are rendered, as their payment obligations are recorded as trade receivables. We have implemented internal policies to set a three-month period from the issuance of invoice to pursue the billed receivables for customers with an annual revenue of less than RMB1 million; and a six-month period from the issuance of invoice to pursue the billed receivables for customers with an annual revenue of over RMB1 million. For billed and unbilled receivables, see “Financial Information – Current Assets and Liabilities – Trade Receivables”.

Depending on the types of customer, we adopt different strategies for entering into service contracts related to our data management solutions. The contracts typically provide the purchase amount to be paid by customers and the payment schedule, which can be in lump sum or in installments by milestone. We generally grant a credit period of up to 30 days from milestone billing or project delivery.

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Set forth below is information in connection with the stages in our settlement process for our data management solutions business during the Track Record Period:

In the first stage, the customers confirm with us their understanding of the contents of the contract, the relevant milestones, and a payment plan. Once these milestones have been realized, we issue our invoice. Among our top five customers for each of the years ended December 31, 2021, 2022 and 2023, the average number of days between our recognition of revenue to our issuance of the invoices was 167.8 days, 50.5 days and 22.7 days, respectively. In 2021, two SOEs with high-volume transactions constituted a significant portion of our receivables, which led to an uncharacteristically long period for that year. In 2022, another SOE constituted a significant portion of our receivables. In 2023, we did not have unusually high or low volume of transactions, with the number of days returning to a historically typical range.

In the second stage, we collect amounts outstanding (but not including retention money, which we are entitled to collect after the end of the warranty and maintenance period for each project. For details, see “Financial Information – Current Assets and Liabilities – Contract Assets”) in connection with the various projects. Among our top five customers for each of the years ended December 31, 2021, 2022 and 2023, the average number of days between our issuance of the invoices and the final collection of amounts outstanding was 68.2 days, 38.6 days and 34.7 days, respectively.

Most of our data management solution customers are post-paid customers. To maintain our relationships with customers, we issue invoices after the customers have fulfilled their internal protocols to make payments, which led to a substantial amount of unbilled receivables during the Track Record Period. As of December 31, 2021, 2022 and 2023, our unbilled receivables for data management solutions were RMB39.3 million, RMB34.7 million and RMB37.1 million, respectively. See “Financial Information – Current Assets and Liabilities – Trade Receivables”. We entered into service contracts for all our data management solutions. All service contracts of our data management solutions during the Track Record Period included the purchase amounts to be paid by the customers. The contract typically sets forth the quality of the solutions and in some cases, post-delivery customer care quality and provides that customers have a right of refusal. In many contracts, we also undertake to compensate for damages for breach of contract.

MARKETING AND SALES

Our sales team was strategically located in Suzhou, Beijing, Wuhan, Hangzhou and Hefei, each strategically located to be close to our customers, who were based in these and other cities in China.

We sell our API marketplace services to customers primarily through our direct sales online and sales representatives. A customer who registers the account on our website may purchase services with pre-paid balance in the account. To subscribe, prospective customers will undergo a certification process, in which our staff will review the scenarios in which our

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APIs will be used to ensure that customers use the APIs for the same scenarios as the ones they claim. Upon approval, customers may use the API marketplace services. For certain major and strategic customers, we enter into customized service agreements and appoint sales representative to communicate with them regularly to resolve matters such as billing, payment settlement and agreement renewal.

Our data management solutions are sold by our sales representatives. The sales and technical teams work together with customers to discuss solutions and assess their requirements. We then convene a project team, which consists of our technical professionals and sales representatives, to design a data management solution. The project team designs and implements a solution for the customer. There were no governmental regulatory pricing guidelines for API marketplace services and data management solutions during the Track Record Period and the up to the Latest Practicable Date.

Our marketing programs include a variety of advertising, exhibitions, industry forums and public relations activities targeted at key executives and decision makers within businesses. Additionally, we actively participate in industry associations to broaden our social connections and identify potential marketing opportunities.

COMPETITION

Our operations are subject to the impact of the China's API enabled service market and the data management solution market in China. We face competition from different companies for our different business segments.

As an integrated API-enabled data exchange service provider, we face competition from our peers who also provide comprehensive API-enabled data exchange service across wide categories of data. We believe that we are well positioned in terms of our operational track record and our ability to deliver high-performance standard API service in China and consistently increase the number of APIs we offer, utilize our technologies to reduce the response time and reduce error probability. We also face competition from industry-specific API enabled data exchange service providers, who focus on providing industry specific API-enabled data exchange service with specific types of data.

In data management solutions, we also face competition from data management service providers in China, who provide data management service with specialties in certain industries. We believe we are able to compete effectively against these data management service providers, leveraging robust technology capabilities, our scalable and high-stickiness business model and entrepreneurial and technically skilled management team.

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For information in connection with API service market and data management service market, see “Industry Overview” and “Risk Factors – Risks Relating to Our Business and Industry – If we cannot continue to innovate or effectively respond to the rapidly evolving technology, market demands, industry dynamics and other risks and uncertainties, our business, financial condition, results of operations and prospects would be materially and adversely affected.”

SEASONALITY

Both our API marketplace and data management solution business lines are subject to seasonal fluctuations and generally experience higher profitability in the fourth quarter of the year. Our revenue from API marketplace, in particular revenue derived from our internet company customers, generally experience spikes in the fourth quarter due to these internet companies’ increased customer flow from online shopping festivals that occur toward the end of the year, such as annual sales on November 11, or “Double Eleven” (雙十一) and annual sales on December 12, or “Double Twelve” (雙十二). We also typically receive a substantial discount (depending on our whole year total purchase of data services) from our data service suppliers in the fourth quarter of the year as we increase our purchase of data services throughout the year, which further increases the profitability of our API marketplace business in the fourth quarter. For related risks, see “Risk Factors – Risks Relating to Our Business and Industry – Our business is subject to seasonality.”

In 2021 and 2022, our fourth quarter recorded more than half of the revenue in the respective year. In 2021 and 2023 our gross profit margin in the fourth quarter was slightly higher than our annual gross profit margin in the same year. In 2022 and 2023, our gross profit margin in the fourth quarter was higher than our annual gross profit margin in the same year, primarily because we received discounts from our data service suppliers in the fourth quarter.

EMPLOYEES

Our human resources department is responsible for recruiting, managing and training our employees. As of December 31, 2023, we had 189 full-time employees, most of whom were based in Suzhou, Jiangsu province, PRC. The table below set forth the number of our employees by function and geographic locations as of December 31, 2023:

	Number of employees	% of Total	Number of employees who are based in Suzhou
Research and Development	104	55.0	96
Sales and Marketing	38	20.1	31
Administration	23	12.2	23
Operation	24	12.7	24
Total	189	100.0	174

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We require fairness and transparency in our recruitment processes and place emphasis on diversity in our recruitment. We welcome talents from different backgrounds to join us in order to increase our workplace diversity. We adopt a hybrid recruitment process and recruit candidates through both online and traditional methods.

We provide various forms of incentives to our employees, including:

- (i) *Employee Incentive Scheme.* We provide a share incentive scheme where employees can obtain equity interests in our employee shareholding platforms as a reward for their contributions and achievements. See “History, Development and Corporate Structure – Employee Shareholding Platforms” and “Appendix VII – Statutory and General Information – D. Employee Incentive Scheme”; and
- (ii) *Reward Systems.* We have implemented reward systems such as performance appraisal bonuses, sales bonuses, innovation bonuses, and outstanding contribution awards, among others, to reward employees for outstanding performance and innovation at work.

We provide a variety of employee benefits, including medical insurance, holiday gifts and other benefits to create better work-life balance for our employees. We pay attention to our employees’ individual career development plans and provide career counselling to our employees to motivate them to achieve higher career goals. We implement transparent promotion procedures, including a performance review system under which our employees’ performance and competence are regularly evaluated. We aim to more closely align the personal career development of our employees with business development. In order to help employees that have fallen below our standards to improve their performance, we have set up a performance improvement team to help them through guidance and training. We provide training for newly hired employees and conduct training sessions from time to time. For sales personnel, we offer sales training programs. We believe our training culture has contributed to our ability to recruit and retain qualified employees. We set clear performance standards and may dismiss employees with low performance and employees who do not conform to our values. We abide by the relevant labor laws and regulations in our dismissal process.

As required under PRC law and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans.

During the Track Record Period, we and some of our PRC subsidiaries did not make full contributions to the social insurance and housing provident funds for some of our employees primarily in relation to their discretionary bonus as required under PRC laws and regulations. For the years ended December 31, 2021, 2022 and 2023, we estimate the shortfall in the aggregate amount of contributions made by the Group to its employees’ social insurance was approximately RMB1.5 million, and the shortfall in the aggregate amount of unpaid housing provident fund was approximately RMB0.7 million. We were unable to make full social

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insurance and housing provident fund contributions for the relevant employees primarily because many of our employees were not willing to bear the costs associated with social insurance and housing provident funds. During the Track Record Period, according to relevant PRC laws and regulations, due to the shortfall of social insurance and housing provident fund contributions, the maximum potential late payment fee that we may be subject to would be approximately RMB0.4 million and the maximum potential penalties that we may be subject to would be approximately RMB6.7 million.

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for a small portion of our Company and Tianju Renhe employees (the “**Employee Third-Party HRA Payment**”). As of December 31, 2023, the number of employees whose social security and housing provident funds were made through third-party human resources agencies was 15. During the Track Record Period, we estimate the aggregate amount of social insurance contributions made through third-party human resources agencies was approximately RMB1.5 million, and the aggregate amount of unpaid housing provident fund was approximately RMB0.7 million. The Employee Third-Party HRA Payment, although not uncommon in China, are not in strict compliance with relevant PRC laws and regulations. If the Employee Third-Party HRA Payment is challenged by government authorities, we may be deemed to have failed to have discharged our obligations in relation to the payment of social insurance and housing provident funds through our own accounts as an employer. Our Group undertakes that if we are ordered by the competent government authorities to pay additional contributions in respect of the Employee Third-Party HRA Payment, we would do so within the prescribed period. We estimate that in the event that we are ordered to make up for the social insurance and housing provident funds contributions made by third party agencies on behalf of us during the Track Record Period, the maximum late payment fee would be approximately RMB0.7 million.

According to the written confirmation by the competent authority, our Company, Tianju Renhe and Zhonghui Juhe had not been subject any administrative penalties due to any breach of the applicable laws and regulations in relation to social insurance and housing provident fund during the Track Record Period. Through an interview with Suzhou Industry Park Social Security and Provident Fund Management Center, the competent authorities for matters relating to social insurance and housing provident fund regarding our Company and subsidiaries located in Suzhou, our status in relation to the shortfall of social insurance and housing provident fund contributions and the Employee Third-Party HRA Payment was disclosed to the authority and it confirmed that: (i) our relevant status would not result in any material violation of applicable Laws or regulations and it had not imposed any penalty on us due to the non-compliance as of the Latest Practicable Date; and (ii) we had not been on record that it required us to supplement social insurance and housing provident fund contributions or to pay late payment fee or penalties as of the Latest Practicable Date.

Our PRC Legal Advisors are of the view that the likelihood of us being subject to material penalties due to the insufficiency of contribution to social insurance and housing provident funds during the Track Record Period is low, on the basis that (i) according to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on

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Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Insurance Premiums (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) issued on September 21, 2018, administrative enforcement authorities shall not organize or conduct centralized collection of enterprises' historical social insurance arrears. The General Office of the State Council issued the Circular on Issuing the Comprehensive Plan for Reducing the Social Insurance Contribution Rates (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》) on April 1, 2019, which promotes the reduction in the amount of social insurance contributions by companies to avoid overburdening enterprises, and re-emphasizes that local authorities shall not conduct self-collection of historical underpaid or unpaid social insurance contributions from enterprises; (ii) during the Track Record Period, with the confirmations from local competent authorities as described above; (iii) penalties will only be imposed if we fail to pay the underpaid amount within the prescribed period, and the Group undertakes that it will rectify or make outstanding payments within a prescribed period once required by competent authorities; and (iv) our Group has not received labor arbitration notices from any of employees in relation to the shortfall of contributions to the social insurance and housing or the Employee Third-Party HRA Payment during the Track Record Period and up to the Latest Practicable Date.

In addition, as of the Latest Practicable Date, we have established internal policies and procedures as rectification plans to ensure that we will make contributions in relation to social insurance and housing provident funds as required under PRC laws and regulations. These internal policies and procedures include: (i) regular communication with government agencies to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations during the Track Record Period; (ii) regular consultation with legal counsel to understand whether we are at risk of non-compliance with the relevant laws and regulations; (iii) preparation of regular reports regarding our contribution amounts for review by our Board during the Track Record Period; (iv) in the process of communicating with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base, which also requires additional contributions from our employees; and (v) holding of internal trainings on the relevant laws and regulations for our Directors, senior management and certain employees during the Track Record Period. Due to our efforts to rectify the insufficient contribution of social insurance and housing provident funds, we anticipate completing the adjustment of the base for social insurance and housing provident funds by March 2024. This adjustment is expected to reduce the underpayment amount for 2024 by approximately 10.0% compared to 2023. We will continue to implement the above internal control policies and communicate with other employees who have not yet adjusted their social insurance and housing provident funds, in order to further reduce the insufficient contribution in 2025. For employees who join us after December 31, 2023, we will fully pay their social insurance and housing provident funds.

We will continue to select third-party human resources agencies which have obtained human resources service permits granted by appropriate governmental authorities and request copies of such permits from these agencies for inspection before any transaction to ensure that they have adequate and proper qualifications. We have also communicated with all employees

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involved in the Employee Third-Party HRA Payment to seek their approval to terminate the Employee Third-Party HRA Payment. For employees who join us after December 31, 2023, we will only allow them to use the Employee Third-Party HRA Payment in areas where we do not have branches or subsidiaries; For employees have used the Employee Third-Party HRA Payment before December 31, 2023, we will continue to communicate with the relevant authorities and employees, and reduce the number of employees using the Employee Third-Party HRA Payment as required by the two authorities and based on our discussions with the employees; When the number of employees using the Employee Third-Party HRA Payment in the same region reaches a certain level, we will consider establishing branches or subsidiaries in the corresponding areas.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or major disputes with our employees. We believe that we have maintained a good working relationship with our employees.

INSURANCE

Our Directors believe our insurance coverage is adequate and in line with industry norms that we only maintain insurance policies for our vehicles. In line with general market practice, we do not maintain any product liability insurance, business interruption insurance or key-man life insurance, which are not mandatory under PRC Laws. See “Risk Factors – Risks relating to our Business and Industry – Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.” During the Track Record Period, we did not make any material insurance claims in relation to our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. We view corporate social responsibility as part of our core philosophy that is pivotal to our ability to create sustainable value for our shareholders by embracing diversity and public interests. Accordingly, we have adopted a policy on environmental, social and corporate governance, or ESG, responsibilities (the “**ESG Policy**”) based on requirements set forth in the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility and sustainable development in our daily operations.

Pursuant to our ESG Policy, our Board of Directors has the overall responsibility of: (i) setting out our ESG initiatives, strategies, and governance guidelines; (ii) directing our company in perfecting our ESG framework; and (iii) reviewing our ESG governance, policies and operational management. Our senior management has the overall responsibility of handling the daily operations and management of ESG-related work and preparing the annual ESG information summary and report. Our Board conducts an ESG report meeting annually.

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Impact of Climate Change

In recent years, changing weather patterns due to climate change have increased in frequency. Growing concerns about climate change and greenhouse gas emissions have led to the adoption of various regulations and policies. Newly enacted legislation and regulations in response to potential impacts of climate change may impact our operations directly or indirectly. We may be required to obtain additional permits, licenses or certificates in the future. Our customers or suppliers may also be affected and may in turn subject us to additional compliance costs and operational restrictions, which could negatively impact our financial condition and results of operations.

Governance on ESG Matters

Environmental Matters

We are committed to reducing the environmental impact of our operational activities. As we are primarily engaged in providing digital services, we are not subject to significant health, work safety, social or environmental risks. In addition, we believe that there are no environmental laws and regulations in respect of air and greenhouse gas emissions, discharge into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on our business and operations. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or other penalties due to non-compliance in relation to health, work safety, social or environmental regulations, nor have we incurred any material costs in relation to compliance with applicable environmental protection rules and regulations. Given our business nature, we do not expect that we will incur significant costs for compliance with applicable environmental protection rules and regulations in the future.

We are committed to improving our resource efficiency and increasing our employees' environmental awareness. Owing to the nature of our business, we believe that our operations are not major sources of environmental pollution as they do not involve any significant direct air emissions, wastewater emissions, noise emissions and waste generation. Nonetheless, we have implemented various measures to better conserve resources in our operations, for example: (i) encouraging the use of environmentally friendly products, such as recycled paper, paper produced from sustainable forest management and energy efficiency-labelled products; (ii) encouraging our employees to reduce energy and water consumption, reduce paper usage and increase recycling; and (iii) ensuring that our employees complete environmental protection trainings.

Social Matters

We are committed to creating an equal, harmonious workplace that is free from discrimination and harassment. We do not tolerate any form of discrimination or harassment from our employees, customers, suppliers and other relevant persons. We have established a communication channel for our employees to lodge complaints, including emails, letters and in-person complaints. If an employee is proven to have breached our anti-discrimination and/or anti-harassment policies, they may be subject to disciplinary action.

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To ensure that we comply with all relevant laws and regulations on anti-money laundering and counter-financing of terrorism, we have implemented a comprehensive internal policy. Pursuant to this policy, we ensure that: (i) we have designated personnel to oversee our compliance with laws and regulations on anti-money laundering and counter-financing of terrorism; (ii) we develop and implement internal controls to investigate suspicious activities and take appropriate actions in response; (iii) when necessary, we shall introduce an anti-money laundering and counter-financing of terrorism corporate training course; and (iv) we implement internal audit and quality control mechanisms in accordance with anti-money laundering and counter-financing of terrorism policies and procedures.

Due to our business nature, we are not subject to significant health and occupational safety risks. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, claims for personal or property damage or compensation to employees and we did not experience any material non-compliance of health and work safety laws and regulations.

We are committed to protecting the privacy of all our employees and any personal information shared by our customers. We have implemented internal rules and policies to govern how we use personal information and protect personal information from loss, abuse, unauthorized use, leakage, alteration and destruction. We have implemented appropriate means to ensure that: (i) personal and sensitive information are obtained directly from the original sources where possible; (ii) disclosure of personal and sensitive information is relevant to the functions or activities for which they are required, and the scope of disclosure is not more than necessary; and (iii) while the information is in our storage, the information should be kept up to date and free from errors, and should not be retained for longer than necessary.

ESG-Related Metrics and Targets

To comply with the Stock Exchange’s reporting requirements on ESG following our [REDACTED], we have adopted an ESG policy that has been developed in accordance with Appendix C2 (Environmental, Social and Governance Reporting Guide) to the Listing Rules. Such ESG policy will be reviewed on an annual basis. Our ESG policy will outline, among others, (a) the appropriate governance oversight; (b) ESG approach and practices including the process of materiality; (c) ESG risks, including climate-related risks and identification, management and monitoring mechanism of such risks; and (d) setting of key performance indicators. We have also engaged an independent third-party consultant (the “**ESG Consultant**”) to facilitate us in assessing our ESG-related metrics and targets and reviewing our ESG policy, and to provide us with professional advice on ESG as and when necessary.

As we are a data technology company and our business does not involve any manufacturing or other industrial production, our operations do not have a direct negative impact on the environment. However, we will adjust our operations to reduce indirect negative impacts on the environment. For example, we continue to rely on internet and cloud technologies to develop and deploy our API services instead of hosting energy-intensive server rooms and data rooms in our office.

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We have identified certain KPIs to evaluate our ESG performance and to facilitate us in taking corresponding measures to enhance our ESG initiatives. Considering the nature of our business, we consider electricity, water and paper consumption to be our KPIs to evaluate ESG performance. We have set the following ESG-related targets and plans:

Key KPIs	Our targets	Our plans
Electricity consumption	Keep the level of our electricity consumption between 80% and 100% of that in 2022 over the next three years	We aim to reduce our electricity consumption through: (i) reducing air conditioning use through installing smart temperature control system; (ii) relying on natural light for illumination; (iii) replacing office equipment with energy-efficient appliances; and (iv) reducing energy waste by requesting employees to turn off computers and office equipment before getting off work, setting computers and monitors to a power saving or sleep mode when not in use, and unplugging idle appliances.
Water consumption	Keep the level of our water consumption between 80% and 100% of that in 2022 over the next three years	We encourage our employees to conserve water in our office bathrooms and pantries. We intend to install sensor faucets and smart toilets to further reduce water consumption.
Paper consumption	Keep the level of our paper consumption between 80% and 100% of that in 2022 over the next three years	We advocate for a digital and paperless office by reducing the use of paper materials in our daily operations. We encourage our employees to use double-sided printing and recycled papers.

Apart from the environmental KPIs, regarding our greenhouse gas emissions profile, we have identified the following major sources:

Scope 1	Direct Emissions from Company Vehicle Fuel Use
Scope 2	Electricity Use
Scope 3	Business Travel and Paper Consumption

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The ESG Consultant has assisted us in the collection of ESG data materially relevant to our business operations during the Track Record Period as set out below, namely our total electricity, water and paper consumption, and with the aggregate emissions in Scope 1 to 3:

Type of energy/resource	Year ended December 31,		
	2021	2022	2023
Electricity			
Total consumption amount ⁽¹⁾ (MWh)	190.43	552.62	543.75
Electricity consumption (MWh)/Employee	1.12	3.03	2.91
Electricity consumption (MWh)/Revenue (RMB in millions)	0.73	1.68	1.23
Water			
Total water consumption ⁽¹⁾ (tonne)	176	5,128	7,209
Water consumption (tonne)/Revenue (RMB in millions)	0.68	15.59	16.34
Paper			
Total paper consumption (kg)	593.76	820.79	615.59
Paper consumption (kg)/Employee ⁽²⁾	3.49	4.50	3.29
Greenhouse gas emission			
Total greenhouse gas emission (tCO ₂ e)	130.44	347.48	354.80
Scope 1 ⁽³⁾	3.43	4.17	4.62
Scope 2 ⁽³⁾	116.19	337.16	331.74
Scope 3 ⁽³⁾	10.82	6.15	18.43
– Business air travel	7.97	2.21	15.48
– Paper disposal	2.85	3.94	2.95
Greenhouse gas emission (tCO ₂ e)/Revenue (RMB in millions)	0.50	1.06	0.80

(1) Our consumptions of electricity and water were calculated based on the bills kept by us and the respective charge in each year. Given that different locations may have different prices and prices may vary within a year, the above data will vary from the actual use. Scope for the water and electricity consumption includes our Company and Tianju Renhe for current disclosure since they account for approximately 90% of the total emissions.

(2) Calculated based on the total consumption amount divided by the average number of employees at the beginning and the end of each year.

(3) Emission factor is based on “How to Prepare and ESG Report Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange.

Our total consumptions of electricity, water and paper have generally increased during the Track Record Period, especially in 2022 because we moved to our headquarters building in January 2022 with more spacious office environment and additional facilities to accommodate our long-term growth. In the meantime, we gradually expanded our research and development, sales and management workforce to accommodate our growing business, particularly data management solutions. During the Track Record Period, our facilities were equipped with smart energy management system and we believe that our employees have enhanced their ESG awareness given our increase in advocating this topic generally.

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For business travel, since we are using more virtual meetings to replace in-person visits, and with our virtual meeting practice continued from the COVID-19 pandemic period, our business air travel in 2022 was much lower than in 2021, with the use of emission factor by International Civil Aviation Organization as suggested by the Stock Exchange as per Appendix 2: Reporting Guidance on Environmental KPIs. Our business air travel increased in 2023 as compared to in 2022, primarily because we restored some in-person visits and meetings after the COVID-19 pandemic. We will monitor the level of emissions from time to time and explore feasibilities in further lowering the emissions from business travel. Our employees usually take economy class for business travel which is the most environmentally friendly among the types of flights. We also consider using more land transportation as alternative to further reduce indirect emission.

In addition, we will also deploy a water butt to collect rainwater in our headquarters building. Rainwater harvesting offers more benefits than just watering plants; it can be utilized for various purposes such as floor cleaning and toilet flushing. By incorporating harvested rainwater into our office usage, it will become an integral part of our workplace's sustainability initiatives and environmental management system. We consider this could be an effective and sustainable method for reducing effluence costs in the office.

While specific data from our value chain is unavailable at this time, based on our discussions with the ESG Consultant, we set forth below a list of potential Scope 3 emissions sources that we consider to be significant in our upstream and downstream value chain:

Upstream Scope 3 Emissions:

- *Purchased Goods and Services*: Emissions associated with the production and transportation of raw materials, components, and services procured by us.
- *Upstream Transportation and Distribution*: Emissions generated during the transportation of goods and materials from suppliers to us.
- *Waste Generated in Operations*: Emissions resulting from the disposal of waste generated during regular office operation.

Downstream Scope 3 Emissions:

- *Use of Products*: Emissions generated during the use of our products by end-users or customers. This includes energy consumption, fuel combustion, or other emissions resulting from product usage which is the general electricity consumption on the use of related sold software.

Going forward, we will endeavor to collect further data to provide more comprehensive information on our Scope 3 emissions where feasible. Based on our discussions with the ESG Consultant, compared to other comparable data technology companies in China, we believe our consumption of electricity, water and paper to be within the average industry level generally.

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Our ESG Consultant has assisted us in identifying the following examples for peer comparison purpose, which aims to facilitate our understanding of the industry trends:

- *Greenhouse gas emissions:* We benchmarked our targets against a pioneer company in the digital and technology industry whose greenhouse gas emission absolute target was set to reduce absolute Scopes 1 and 2 greenhouse gas emissions by approximately 5% per year in order to reach an aggregate reduction of 50% by financial year 2029/30 from financial year 2018/19 as its base year. Our Company currently has a target of reducing 0 to 20% of greenhouse gas emissions over the next three years which is similar and even considered more ambitious than the target set by such industry player;
- *Water consumption:* According to the ESG Consultant and public information, water consumption of one of China’s leading software and internet services enterprises is 334,391 tonnes in its financial year ended 2022. In comparison, the corresponding water consumption level by our company is lower than such comparable company;
- *Paper consumption:* Despite the levels of paper consumption of our comparable peers are not disclosed publicly, we consider this metric to be important for identifying our future goals and targets and will therefore commit to disclosing such information in our ESG report after [REDACTED]; and
- *Electricity consumption:* According to the ESG Consultant and public information, the electricity consumption of one of the leading software and internet services enterprises in China is 20,960.05 MWh in its financial year ended 2022. In comparison, the corresponding electricity consumption level by our company is lower than such comparable company. Another peer company aims to achieve year-over-year improved electricity consumption at R&D and office sites globally, relative to its previous financial year. In comparison, our Company’s improvement target of a 0 to 20% reduction of electricity consumption over the next three years is comparatively more ambitious and we will strive to achieve this target by implementing the aforementioned initiatives where feasible. We will also monitor the technological development and industry trend in energy consumption, and will report to our Board from time to time for their strategic decision in implementing any further means to enhance our ESG performance.

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Our ESG Consultant has also assisted us in putting together the below summary of electricity consumption intensity from some peer companies based on publicly available information:

Company Name	Financial year Ended	Electricity consumption intensity performance data according to public information	Unit
Company A	March 31, 2023	5.87	MWh per US\$ million in revenue
		4.72	MWh/employee
Company B	December 31, 2022	3.17	MWh/employee
Company C	December 31, 2022	56.27	MWh/employee

Based on the above data, the average electricity consumption for Company A and Company B is around 4 MWh/employee in electricity consumption, while such figure for a second-tier company like Company C is 56.27 MWh/employee, which is more than 10 times the aforementioned average. Therefore, we understand from our ESG Consultant that based on the above, the average electricity consumption intensity performance as a reference of these three benchmarked companies is approximately 21.39 MWh/employee. The data from peers and such average energy consumption levels serve as a reference point for our Company when determining our future energy consumption targets.

By comparing this average with our Company’s current electricity consumption intensity performance of 3.03 MWh/employee for the financial year ended December 31, 2022 and having discussed with our ESG Consultant, we consider that while our Company’s electricity consumption intensity sets a higher standard in terms of energy efficiency, we still outperform the industry average and the best performing company above, which had a 3.17 MWh/employee electricity consumption intensity.

Corporate Social Responsibilities

We are committed to corporate social responsibility. In particular, we have taken initiatives in recent years:

- (i) We supported Suzhou’s efforts to contain the spread of COVID-19. In 2021, we donated masks, face shields and protective suits to the Suzhou Youth Entrepreneurs Association. In 2022, we donated masks, face shields and protective suits to communities in the Suzhou Industrial Park and Suzhou Municipality; and
- (ii) We have actively participated in other charity work. In 2022 and 2020, we donated RMB100,000 and RMB1,000,000 respectively to Suzhou Industry Park Charity Federation (蘇州工業園區慈善總會). In 2020, we also made a donation in an amount of RMB100,000 to Tongji Hospital of Tongji Medical College of HUST (華中科技大學同濟醫學院附屬同濟醫院).

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RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management Framework

Risk management is critical in our business operations. We face operational risks such as changes in general market conditions and regulatory environments within the markets we operate and related markets; our ability to offer quality services and compete effectively; our ability to manage our anticipated growth and execute our growth strategies; and our compliance with regulations and industry standards. Our Board is in charge of our overall risk management. Our risk control department formulates our annual internal control audit plan to conduct specialized audits of various business operations, generating a self-assessment report on internal controls for submission to the Audit Committee for approval.

The risk control department implements appropriate review procedures to evaluate the effectiveness of our internal controls from time to time. If we discover internal control deficiencies during the review process, the risk control department personnel will urge the relevant departments to develop corrective measures and timelines, conduct follow-up reviews of internal controls, and oversee the implementation of the corrective actions.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Compliance Risk Management

Compliance risk management is the core of our risk management activities, the foundation for effective internal controls and an important aspect of our corporate culture. Our Board of Directors is responsible for establishing our internal control system and reviewing its effectiveness.

Our material decision-making is undertaken by the General Manager, the Board of Directors, and Shareholders' Meeting, as the case may be. Additionally, we have established a series of policies and procedures related to information systems management, aiming to regulate the application for system clearance and the processes involved in information system management.

Human Resources Risk Management

We provide different training tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date and enable them to discover and meet customers' needs. We have in place an employee handbook, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. We also provide

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employees with resources for explanation on guidelines contained in the employee handbook. We make our internal reporting channel open and available to our staff for any reporting of wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings.

Data Privacy Risk Management

We offer our services and solutions with privacy as a core tenet. For API marketplace, we are committed to complying with the legal requirements, and we adhere to them in the following manner:

Data collection

During the process of providing query and SMS notice services through API marketplace, we accept customers' entrustment to collect and transmit data among customers and suppliers, including personal information, corporate data and other type of information unrelated to person or corporate data. In connection with our query and SMS notice services through API marketplace, as we act as an intermediary technical service provider, we do not purchase or retain ownership of the data we collect or transmit. We set forth the purpose, duration, method, type of personal information, protective measures, and the rights and obligations of each party in our agreement with customers and suppliers. We adhere to the agreed purposes and methods of processing personal information as stipulated in these agreements. Our customers' authorization is required for personal information collection, sharing and transmission before our APIs could process data from our customers. For engagement of our data service suppliers, we review the authorization from the source of personal information. Our supplier agreement with them includes the authorization between suppliers and us, services to be provided, validity period, certain restrictive undertakings and data privacy compliance representations. For top-up service, our customers collect personal information and we only transmit top-up mobile numbers with encrypted technologies.

To provide services through API marketplace, we may utilize web crawlers to collect non-personal information from publicly available sources. Our data compliance management policies specify that we must first review and adhere to the Robots Exclusion Protocol and the information sources' website policies and requirements before conducting any searches, copying, downloading, or quoting data through web crawlers. We use our best endeavours to ensure that our collection of non-personal information from publicly available sources does not disrupt the functioning of the information source, infringe on others' trade secrets or intellectual property rights.

When our API marketplace customers (typically non-key customers) register an account at our website to use our APIs, they will provide certain personal information. Our website includes a standalone privacy policy page, which specifies the type of personal information, such as mobile number, user name, email address, photos, and logs of computers, and specify the circumstance under which we collect personal information. The policy also provides the

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circumstance under which consent is required, such as the transfer of personal information outside our Company, and under what circumstance consent is not required, such as when we are required to provide disclosure pursuant to laws.

During the provision of data management solutions, we do not collect personal information. We collect data related to the customers' current IT systems on their premises to produce data management solutions that fits their demands. We only use the data within the customer's intranet. Furthermore, our solution employs technologies such as privacy-preserving computation and blockchain service. Privacy-preserving computation may prevent unauthorized access to sensitive data during the process of realizing data value, while blockchain service aids in ensuring the immutability and integrity of the data. In addition, we make *SmartShield* and *AnchorChain* available to customers, both of which are technologies that safeguard data privacy and security.

Data storage and deletion

For the personal information of end-users provided by customers and the personal information included in query results returned by suppliers, we neither store nor use such information for any other business purpose.

During the provision of services via API marketplace, we only store limited order information necessary for reconciliation and error handling, with strict internal clearance protocols in place. If the order information includes personal information, we make measures of anonymization or encryption. Data after anonymization or encryption cannot be used to identify individuals and are irreversible. For SMS and top-up services, the mobile numbers encrypted during the transmission and the order information are stored for reconciliation and error handling. In order to ensure limited sharing and local storage of personal data, we employ techniques such as masking order information that contains personal information and implementing access restrictions. Data collected from public channels are stored in the cloud and are strictly managed by our IT system. Unauthorized access is strictly prohibited. We engage professional third parties from time to time to review the compliance of data storage of our APIs in connection with personal data, corporate data and the mix of the two types.

We set forth different retention periods depending on the type of data and the applicable legal requirement. After the data retention period expires, data will be deleted. For personal information derived from user registration on our website, it is stored separately and protected by clearance control. For personal information included in order information derived from our provision of query services, it is stored with anonymization process or irreversibly encrypted. With regard to SMS notice and top-up services, anonymization process and encryption were set to occur six months after the order is completed. After encryption, the data cannot be used to identify end-users. The order information will be deleted after three years. For non-personal information derived from our provision of query services, it shall be deleted after three years of storage. For order information of SMS and top-up service, the data shall be deleted three years after the order is completed.

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Data sharing and transmission

In the API marketplace, we transmit data among customers and suppliers based on the entrustment of customers. During the transmission we employ encrypted technologies to ensure personal information is identity masked. For data management solution, we do not transmit or share personal information, because these solutions are installed on the customer's IT systems, and we are not involved in their daily operations.

Our data management solutions can be delivered online via customer's intranet server, a network that is isolated from other internet servers. The delivery within the intranet server does not involve any transmission or sharing of personal information to our Group.

Employee training

We provide education and training sessions on data security for our employees. New employees are required to adhere to confidentiality obligations and to receive training from our human resources department on the relevant rules and policies regarding confidentiality.

Risk and data security incidents

When an alleged or actual leakage incident occurs, all departments and individuals should immediately take remedial measures and report the incident to the risk control center and the CEO. Such report should include the content of the leaked data, classification level, quantity, and form of carrier; details of the leakage incident; the particulars of the person responsible for the leakage; the time, place, and details of the leakage incident; potential or actual harm caused by the leakage incident; work status that has been or is planned to be investigated; and remedial measures that have been or are planned to be taken. The risk control center and the CEO should immediately take remedial measures to prevent further leakage. The risk control center should immediately conduct an investigation on the incident. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data leakage or loss of data or information.

Policies

Our supplier management policies outline clear criteria and priorities for assessing data service supplier qualifications and managing supplier relationships. We have also implemented polices, which assess the quality and technical capabilities of our data sources. We have guidelines for data identification, classification, and protection. Additionally, our data compliance management polices cover the lifecycle of data management. We have also published our privacy policy on our website to ensure transparency and protect our customers' privacy when they register or use our services.

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Business Model

Data compliance is at the heart of our business. The PRC Personal Information Protection Law, which came into effect in November 2021, specifies the concept of “entrusted processing” of personal information. We, as an intermediate technical service provider, is positioned to act as an entrusted processor of personal information and to fulfil the obligations imposed on an entrusted processor by the PRC Personal Information Protection Law. See “Regulatory Overview – Regulations Related to Internet Security and Privacy Protection – Regulations on Privacy Protection”, for details of the obligations of an entrusted processor. In line with our business model, our contracts with customers (to which we, leveraging our technical capabilities, provide query and SMS notice) clarify that we, as an entrusted processor, are entrusted to assist the entrusting party in handling data packaging, encryption and transmission activities between data service supplier and customers. On our customer interface, we provided numerous suppliers for customers to select from (and such interface displays the basic information and selection criteria of the suppliers), and according to the choice of supplier made by our customer, we provide the API connection services between them.

Proper consent, scope of consent, authentication and verification process and measures in connection with data privacy and security

As of the Latest Practicable Date, our Group has obtained all consents from our direct suppliers and customers to provide and receive API marketplace service. We did not acquire consent from certain suppliers and customers during the Track Record Period mainly because (1) when the existing consent was about to expire, we urge suppliers to renew their consent with us. However, there were certain scenarios where the renewal occurred shortly after the expiration of existing consent; and (2) there may be circumstances where we failed to identify expired consents in time. During the Track Record Period, we did not have any dispute with our customers or suppliers that was related to personal information protection. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalty or inspections due to violation of personal information protection related laws or regulations. Our PRC Legal Advisers are of the view that, in respect of the Company not obtaining consents from certain suppliers and customers during the Track Record Period and up to the Latest Practicable Date, the risk of the Company violating the relevant laws and regulations on personal information protection and being investigated or administratively penalized as a result thereof is relatively low.

During the Track Record Period, our Group acquired consents from our direct suppliers and customers to provide services through our API marketplace by signing business contracts. Before the PRC Personal Information Protection Law became effective, we were required to comply with the PRC Cybersecurity Law, the PRC Data Security Law, and the Regulations on the Protection of Personal Information of Telecom and Internet Users (電信和互聯網用戶個人信息保護規定). These laws and regulations required, in principle, that any organization or individual collecting data should do so in a lawful and legitimate manner, and should not steal or obtain data by illegal means; and that internet operators (網絡運營者) collecting and using personal information should follow the principles of lawfulness, legitimacy, and necessity,

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disclose the rules for such collection and use, clarify the purpose, manner, and scope of the collection and use of information, and obtain the consent of the person from whom the information is being collected. As we did not have direct contact with end-users, we sought to ensure that we have complied with the above requirements mainly by having our direct customers and suppliers obtain valid authorization and undertake to us that the source of data is legal. Before November 2021, we (i) established policies to regulate our customers’ admission to our API marketplace, which required customers to provide application links, screenshots of scenarios, and demanded vetting process to avoid illegal activities. We also reviewed the privacy policies of customers to understand the scope of authorization to process personal information of customers by their data sources; (ii) asked customers to undertake in their agreements with us that they (a) had proper consent from their data sources and would use our services provided through API marketplace properly; and (b) would provide documents for our inspection when required; and (iii) developed policies establishing strict prior and periodic reviews and evaluated suppliers based on five criteria including “official authorization, basic qualifications, business situations, negative public opinions, and industry risks”.

The PRC Personal Information Protection Law, which has now come into effect, specifically requires contractual entrustment on the entrusted personal information processor (which does not have the right to determine the purpose and manner of processing personal information) by the personal information processor. The entrusted party shall process the personal information in accordance with the agreement with the personal information processor, and shall not go beyond the agreed purpose and manner of processing; and if the contract of entrustment is not in effect, the entrusted party shall return the personal information to the personal information processor or delete it and shall not retain it. The PRC Personal Information Protection Law explicitly requires that personal information processor (which role the Group does not assume in its query and SMS notice service) shall obtain the consent of an individual to process personal information, unless otherwise provided by law. In contrast, the PRC Personal Information Protection Law does not explicitly require an entrusted personal information processor, which does not determine the purpose and manner of personal information processing (which role the Group assumes in its query and SMS notice service), to obtain the consent of individuals. Customers entrust us to process personal information and we provide them with a list of suppliers that can offer the data service they need. Customers may choose from the list of suppliers we provided based on their preference. Although the PRC Personal Information Protection Law does not explicitly so require, we nevertheless require the direct suppliers and customers to confirm the legality and due authorization of their data source in writing. Furthermore, we also require the suppliers to provide the authorization from the final data source; and we will not cooperate or we will stop cooperating with the suppliers who fail to provide such authorization. After November 2021, we acted as an entrusted processor of personal information. Pursuant to the PRC Personal Information Protection Law, an entrusted processor is not obliged to acquire consent directly from end-users. Our agreement with customers specifies that we can only process personal information with entrustment within the scope of authorization from our customers. Our Supplier Admission Procedures Manual (供應商管理手冊) establishes a rating system to evaluate the consent obtained by our suppliers from their data sources as a requisite for admitting a supplier. In certain cases, the supplier should undertake to reach certain rating level in future to be admitted. Our PRC Legal

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Advisers are of view that our business model as of the Latest Practicable Date, by accepting our customer’s entrustment to provide data-related technology services with regard to our query and SMS notice services, our Group had acted as an entrusted personal information processor as defined in the PRC Personal Information Protection Law.

Our Directors are of the view that our internal control measures on data collection during the Track Record Period were sufficient and effective, on the basis that:

- During the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalty or inspections due to violation of personal information protection related laws or regulations;
- During the Track Record Period, we did not have any dispute with our customers or suppliers that was related to personal information protection; and
- We regularly consult with our PRC legal advisers to comply with the data privacy related PRC laws.

Sole Sponsor’s View

The Sole Sponsor has reviewed the legal analysis of the PRC Legal Advisors, with the assistance of its PRC legal advisors, who concur with the analysis of the PRC Legal Advisors. The Sole Sponsor has also reviewed the Group’s internal control measures on data collection as discussed above and have obtained and reviewed samples of the contracts between the Company and its customers and suppliers together with the internal control consultant engaged by the Company. Based on such due diligence, nothing has come to the attention of the Sole Sponsor that would lead itself to disagree on the foregoing Directors’ view.

As advised by our PRC Legal Advisors, our business has complied with the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law and other relevant laws and regulations in all material aspects during the Track Record Period.

However, given the nature of our business, we are unable to rule out the possibility of being adversely affected by data compliance risks. For details, see “Unauthorized access to our customers’, suppliers’, or our own data could harm our reputation and have a negative impact on our business and financial performance” and “Our failure to comply with existing or future laws and regulations related to data security, data protection, cybersecurity or personal information protection could lead to suspension of our business operations, liabilities, administrative penalties or other regulatory actions, which could negatively affect our results of operations and business” in the section “Risk Factors – Risks Relating to Our Business and Industry”.

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To ensure ongoing compliance with relevant data security and personal information protection laws, we maintain regular communications with our legal and other professional advisors, including PRC data law specialists, to keep abreast of the latest regulatory developments and receive prompt advice on any applicable requirements in relation to our data security and personal information protection practices. With the measures we have in place, we believe we can continually adjust our internal policies in response to new regulatory developments, update our practices on network security, data compliance and personal information protection as appropriate, and take any necessary rectification or improvement measures in a timely manner, to ensure compliance with updated cybersecurity, data security and personal information related laws and regulations if and when they come into effect in the future.

Audit Committee Experience and Qualification and Board Oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely LI Shun Fai, CHEN Xinhe and QIU Jianqiang. LI Shun Fai is the Chairperson of the Audit Committee and an independent non-executive Director. See “Directors, Supervisors and Senior Management – Directors”.

CUSTOMER’S SERVICE AND QUALITY CONTROL

During the Track Record Period and up to the Latest Practicable Date, we have not received any complaints that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the maintenance period after system delivery, we assist customers with any inquiries. Once the project is formally accepted, we submit a maintenance handover application to transfer the maintenance responsibilities to the maintenance personnel. When the project’s maintenance service period expires and the customer decides not to renew the contract or agrees to terminate the service, the maintenance personnel should submit a maintenance service termination process for our internal approval. If the customer raises new requirements during usage, we will internally discuss whether it can be developed into a new project.

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We have established a quality control system and obtained multiple professional qualifications, which has laid a foundation for the consistent delivery of high-standard services and solutions. The table below sets forth our qualifications as of the Latest Practicable Date:

Certificate Name	Compliant Standard or Evaluation Basis	Certification Scope	Validity Period	Issuing Organization
Information System Security Level 3 Protection Record Certificate (信息系統安全第3級保護備案證明) (Juhe Data Platform System)	Relevant Requirement of Administrative Measures for Grade Protection of Information Security	Level 3	Since March 2018	Police Department of Suzhou (蘇州市公安局)
Information System Security Level 2 Protection Record Certificate (信息系統安全第2級保護備案證明) (Tianju Dihe OA System)	Relevant Requirement of Administrative Measures for Grade Protection of Information Security	Level 2	Since March 2018	Police Department of Suzhou (蘇州市公安局)
Information System Security Level 2 Protection Record Certificate (信息系統安全第2級保護備案證明) (Tianju Dihe Financial Software System)	Relevant Requirement of Administrative Measures for Grade Protection of Information Security	Level 2	Since March 2018	Police Department of Suzhou (蘇州市公安局)
Information Safety Service Qualification Certificate (信息安全服務資質認證證書)	CCRC-ISV-C01:2018	Software Security Development Qualification (Level 2)	November 12, 2021 – November 11, 2024	China Cybersecurity Review, Technology, and Certification Center (中國網絡安全審查技術與認證中心)
DCMM Capability Assessment Certificate (數據管理能力成熟度等級證書)	GB/T 36073-2018	Managed Level 2	December 30, 2022 – December 29, 2025	China Electronics Information Industry Federation (中國電子信息行業聯合會)
Information on System Construction and Service – Capability Assessment System Certificate (信息系統建設和服務能力等級證書)	T/CITIF 001-2019	General Basic Level (CS2)	December 23, 2021 – December 22, 2025	China Electronics Information Industry Federation (中國電子信息行業聯合會)

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Certificate Name	Compliant Standard or Evaluation Basis	Certification Scope	Validity Period	Issuing Organization
Information Technology Management Systems Certification (信息技術服務管理體系認證證書)	ISO/IEC 20000-1:2018	Provide Information Technology Service Management Activities Related to Application Software Development to External Customers	September 15, 2023 – September 14, 2026	Beijing Zhongjiao Yuanhang Certification Co., Ltd. (北京中交遠航認證有限公司)
Information Security Management Systems Certification (信息安全管理体系認證證書)	GB/T 22080-2016/ISO/IEC27001:2013	Information Security Management Activities Related to Application Software Development; SOA:TJDH-IM-001 Version: V1.1	September 15, 2023 – October 31, 2025	Beijing Zhongjiao Yuanhang Certification Co., Ltd. (北京中交遠航認證有限公司)
Quality Management System Certification (質量管理體系認證證書)	GB/T 19001 2016/ISO 9001:2015	Online Data Processing and Computer Software Development	October 25, 2023 – October 24, 2026	Beijing Zhongjiao Yuanhang Certification Co., Ltd. (北京中交遠航認證有限公司)

PROPERTIES

Owned Property

As of the Latest Practicable Date, we had property ownership certificates for three properties located in Suzhou for self-use, with an aggregate gross floor area of approximately 26,627 sq.m. The table below sets out a summary of certain information regarding our owned property as of the Latest Practicable Date:

No.	Location	Approximate gross floor area (sq.m.)	Permitted use	Ownership Term	Encumbrance
1.	No. 9 Rongfu Street, Suzhou Industrial Park	25,461.89	Industrial	Until March 10, 2066	None
2.	Building 78, Shuimo Jiangnan Villa	1,019.21	Residential	Until October 17, 2075	None
3.	No. 35 Baita West Road	145.56	Urban Residential	Until July 14, 2081	None

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As advised by our PRC Legal Advisors, we had obtained all the relevant property ownership certificates for the property we owned as required under the PRC laws and regulations as of the Latest Practicable Date.

As of December 31, 2023, our property located at No. 9 Rongfu Street, Suzhou Industrial Park accounted for 15% or more of our total assets. Therefore, pursuant to Chapter 5 of the Listing Rules and Article 6(2) of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice, we have prepared a valuation report with respect to our property interests. See “Appendix V – Property Valuation”. Except as aforesaid, as of December 31, 2023 we did not have any single property interest that forms part of its non-property activities that had a carrying amount of 15% or more of our total assets.

Leased Property

As of the Latest Practicable Date, we leased and occupied nine properties in Suzhou, Beijing and Wuhan, which were used as offices and business registration addresses. The table below sets out a summary of information regarding our leased properties as of the Latest Practicable Date:

No.	Address	Approximate gross floor area (<i>sq.m.</i>)	Use of property	Expiry date of the lease
1.	Room 1508, No. 9 Rongfu Street, Suzhou Industrial Park.	15	office	June 27, 2028
2.	Room 22782, Building 2, No. 12 Jia, Xidawang Road, Chaoyang District, Beijing National Advertising Industrial Park Incubator	Not specified	business registration	April 7, 2024
3.	Building A, 4th Floor, No. 0338, Building 24, No. 68 Beiqing Road, Haidian District, Beijing	Not specified	business registration	January 2, 2025
4.	Room 201-67, C9 Building Group 2, Wuhan Software New City Phase 2, No. 8 Huacheng Avenue, East Lake New Technology Development Zone, Wuhan	35	business registration	July 15, 2024
5.	Floor 4, Room 405-200, Building 1, Tower A, No. 2 Yongcheng North Road, Haidian District, Beijing	10	business registration	April 14, 2024
6.	Room 1501, 9 Rongfu Street, Suzhou Industrial Park	60	office	July 3, 2028

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No.	Address	Approximate gross floor area (<i>sq.m.</i>)	Use of property	Expiry date of the lease
7.	Room 1503, 9 Rongfu Street, Suzhou Industrial Park	Not specified	business registration	July 3, 2028
8.	Room 1506, 9 Rongfu Street, Suzhou Industrial Park	Not specified	business registration	July 3, 2028
9.	Room 1505, 9 Rongfu Street, Suzhou Industrial Park	Not specified	business registration	July 3, 2028

The relevant lease agreements have lease expiration dates ranging from April 2024 to July 2028.

As of the Latest Practicable Date, we had not completed the filing for the above nine lease agreements. As advised by our PRC Legal Advisors, the failure to register the lease agreements for our leased properties will not affect the validity of such lease agreements, but the relevant competent housing authorities may order us to register the lease agreements within a prescribed period of time and impose a fine of up to RMB10,000 for each non-registered lease agreement if we fail to complete the registration within the prescribed timeframe. As of the Latest Practicable Date, we had not been subject to any administrative penalties by the relevant PRC government authorities, nor have we experienced any termination or interruption of business operations or major property loss because of the failure to file the lease agreements as described above. Our Directors are of the view that the non-registration of the lease agreements would not materially and adversely affect our business operations. See “Risk Factors – Risks Relating to Our Business and Industry – We may be subject to risks relating to our failure to complete lease registration for our leased properties.”

IMPACT OF THE COVID-19 PANDEMIC

As of the Latest Practicable Date, the overall effects of the COVID-19 pandemic on our business operations and financial performance have been immaterial. The operations and subsequent financial outcomes of our API marketplace were largely insulated from the adverse effects of travel restrictions, given the online nature of our service offerings and transactions. Despite lockdowns and travel restrictions in China, our product utilization by customers remained consistent and undeterred. From 2021 to 2023, we experienced a growth in revenue from our API marketplace. There was an increase in the customer base of our API marketplace during this period, including both paying and non-paying customers.

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We approved employees who tested positive to take sick leave. For employees who have had close contact with positive cases, we allowed them to work from home. From 2019 to 2022, Suzhou did not experience citywide lockdowns and we have not experienced any material interruptions to our operation. A majority of travel restrictions and quarantine mandates were rescinded as of December 2022. The ongoing and future influence of the pandemic on our operational results is contingent upon a myriad of evolving and unpredictable factors. These encompass the occurrence, duration, and magnitude of COVID-19 outbreaks, the emergence of novel variants with distinct attributes, the efficacy of containment and treatment measures, and any subsequent responses to these unfolding events.

We did not experience any significant delays in the delivery of our solutions or loss of customers as a result of the COVID-19 pandemic. In fact, concomitant with the general growth in our business, there was a rise in the number of projects delivered and subsequently accepted between 2021 and 2023. Specifically, during the Track Record Period, the development and delivery of five data management solution projects with a total project value of RMB38.8 million were delayed due to the COVID-19 pandemic, representing approximately 13.4% of the total project value of projects which should be delivered and accepted during the Track Record Period. By comparison, 104 projects were delivered and accepted during the same period. We have acquired consents from all customers for delayed projects to delivery according to a late schedule. These projects experienced delays primarily ranging from one to three months. Purchase amounts of less than RMB40,000 were reduced as a result of such projects delays, and, save for the above reduction, there were no disputes, termination of contracts, or claims arising from such delays agreeing that we deliver according to a revised schedule. As of the Latest Practicable Date, nearly 97% of our fees from these delayed projects were recognized as revenue with the remaining small portion expected to be recognized within the next three months, and therefore such delays did not have a material adverse impact on our business and results of operations.

REGULATORY COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal proceedings arising in the ordinary course of business. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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Third-Party Payment Arrangements⁽¹⁾

During the Track Record Period, certain of our API marketplace customers settled their payments to us through third parties, including through (i) their affiliates, including customers’ subsidiaries or entities which are under common control or their shareholders, but such paying entity is not an obliged anti-money laundering institution (反洗錢義務機構); (ii) customers’ employees, business partners or friends and families. We have obtained authorization letters from customers under this category (ii), in which customers confirmed the payors’ account details they have used or instructed to settle payment; and (iii) Alipay mainly, and where we could determine or reasonably suspect that the customer’s and the payor’s names were different. We did not obtain authorization letters from customers under this category (iii) due to dissolution of certain customers, their refusal to cooperate or our failure to reach such customers. We refer to the aforementioned categories (i), (ii) and (iii) collectively as the “Third-Party Payment Arrangements”.

Based on our Directors’ understanding, these Relevant Customers used Third-Party Payment Arrangements during the Track Record Period mainly because (a) the Relevant Customers settled the transaction amounts with us using Third-Party Payment Arrangements as the paying agents helped Relevant Customers with their transitory liquidity needs; (b) certain Relevant Customers that lack financial or technological capabilities need their business partners to connect to our APIs on their behalf, leading to their business partners paying on the Relevant Customer’s behalf; (c) certain Relevant Customers registered accounts on Alipay using a different name from their corporate name which is allowed on Alipay; and (d) the Relevant Customers settled the transaction amounts by designating a company who was responsible for all payments of a group of companies under common control due to their internal financial policies⁽²⁾.

Note:

- (1) Figures herein relating to the Third-Party Payment Arrangements include the number of customers, transaction amount, revenue contribution and refund amount during the Track Record Period. These figures are not audited or reviewed by our Reporting Accountants. Although we have exercised reasonable judgment in determining such figures, they may not be accurate because (a) there were other types of inconsistencies between the customers and paying entity/person other than the Third-Party Payment Arrangements. We categorized such number of customers, transaction amount and refund amount to the Third-Party Payment Arrangements or vice versa; (b) the number of customers, transaction amount and refund amount may be double counted within the Third-Party Payment Arrangements; (c) there was insufficient information on the relationship between the customer and its paying entity/person or outdated public information that made it indeterminable whether certain transactions should be categorized as Third-Party Payment Arrangements; and (d) we have estimated the revenue based on transaction amount when we have not, and are unable to match the specific transaction amounts with revenue contribution. We are unable to match the transaction amount with revenue from the Third-Party Payment Arrangements because the transaction amounts via the Third-Party Payment Arrangements can be either used by our customers to pay for API services or remain as prepayments in their customer accounts with us.
- (2) For the avoidance of doubt, the number of Relevant Customers, transaction amount, revenue contribution and refund of the Third-Party Payment Arrangements out of this reason (d) were allocated in either Category (i) or (ii).

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In 2021, 2022 and 2023, we estimated to the best of our knowledge that no more than approximately 3,031, 2,442 and 2,201 customers used Third-Party Payment Arrangements for settlement, respectively (“**Relevant Customers**”). The estimated revenue contribution⁽⁴⁾ associated with Third-Party Payment Arrangements amounted to approximately RMB9.7 million, RMB8.2 million and RMB23.6 million, respectively, representing 3.7%, 2.5% and 5.4% of our total revenue in each year, respectively. The revenue contribution was estimated based on the transaction amount involving Third-Party Payment Arrangements during the Track Record Period. The transaction amount cannot match the revenue contribution and we made the following key assumptions for the estimation: (i) the revenue in relation to a certain payment made in a period was all recognized in the same period; and (ii) on a conservative basis, if a customer made a Third-Party Payment in a certain period, all revenue generated from this customer would be assumed to be under Third-Party Payment Arrangements, and capped at the transaction amount under Third-Party Payment Arrangements in the same period, unless the revenue contribution arising out of the Third-Party Payment Arrangements is clearly separable from other revenue contribution.

The following table sets forth the respective number of Relevant Customers by category for the years indicated:

	For the Year ended December 31,		
	2021	2022	2023
Category (i) ⁽³⁾	62	35	34
Category (ii)	23	11	12
Category (iii)	2,946	2,396	2,155
Total	3,031	2,442	2,201

(3) For the avoidance of doubt, the revenue contribution and number of customers under category (i) do not include payment made through a company’s affiliates which is a payment service provider. These payment service providers are obliged anti-money laundering institutions (反洗錢義務機構), which generally are subject to stringent anti-money laundering requirements imposed by PRC law. We did not obtain authorization letters from customers under this category (i).

(4) The revenue contribution was estimated based on the transaction amount involving Third-Party Payment Arrangements during the Track Record Period. The transaction amount cannot match the revenue contribution and we made the following key assumptions for the estimation: (i) the revenue in relation to a certain payment made in a period was all recognized in the same period; and (ii) on a conservative basis, if a customer made a Third-Party Payment in a certain period, all revenue generated from this customer would be assumed to be under Third-Party Payment Arrangements, and capped at the transaction amount under Third-Party Payment Arrangements in the same period, unless the revenue contribution arising out of the Third-Party Payment Arrangements is clearly separable from other revenue contribution.

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The following table sets forth the respective estimated revenue contribution⁽⁴⁾ of Relevant Customers by category for the years indicated:

	For the Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Category (i) ⁽³⁾	684	413	16,563
Category (ii)	976	220	1,832
Category (iii)	8,035	7,562	5,250
Total⁽⁵⁾	9,695	8,195	23,646

PRC Legal Advisors’ Views

Our PRC Legal Advisors are of the view that the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date did not constitute material non-compliance under the applicable PRC laws on the following basis:

- (i) pursuant to the laws and regulations of the PRC, there is no explicit restriction on the adoption of Third-Party Payment Arrangements. A Third-Party Payment Arrangements is valid so long as it does not fall within those grounds of invalidation specified under the Civil Code of the PRC (中華人民共和國民法典), including, among others, where the arrangement is in violation of public order or harms one’s legal rights through malicious collusion;
- (ii) we have not been penalized or determined to owe or evade taxes by the tax authorities due to the Third-Party Payment Arrangements during the Track Record Period, which is evidenced by the fact that we have also received certificate from the tax authority of Suzhou Industry Park, confirming that we have not been subject to any administrative penalties due to tax reasons. The risk of us being penalized or determined to owe or evade taxes by the tax authorities for the Third-Party Payment Arrangements during the Track Record Period is relatively low;
- (iii) We are not a financial institution or a specified non-financial institution subject to anti-money laundering obligations under the PRC laws and regulations. This means that we are not subject to the stringent obligations imposed on such institutions and have no obligation in law to ascertain the origin of funds in third-party payment

(5) We are unable to match the transaction amount with revenue from each customer under the Third-Party Payment Arrangements because the transaction amounts, depending on whether and when the customer uses our API services, may or may not be recognized as revenue during the same period. Transaction amounts can be converted to credit in the customer account for such customer’s future use. In addition, we recognize revenue of top-up service on a net basis. This resulted in a significant difference between the transaction amount and revenue recognized.

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arrangements. Commercial banks and payment service providers that provide payment settlement services, are generally obliged anti-money laundering institutions. They are required by law to effectively investigate and curb potential money laundering activities;

- (iv) we have not been subjected to any administrative penalties due to money laundering issues related to the Third-Party Payment Arrangements during the Track Record Period. Furthermore, we have established a corresponding anti-money laundering system and have taken measures to prevent our business from being used for money laundering activities;
- (v) having considered the Third-Party Payment Arrangements stated above, our PRC Legal Advisors are of the view that (1) the Third-Party Payment Arrangements were not in breach of the mandatory provisions of the PRC civil law and other applicable laws or regulations in China, and (2) the risk of our Company violating the relevant laws and regulations and being investigated or administratively penalized as a result thereof is relatively low; and
- (vi) during the payment process, the third-party payment agent must obtain the payment details that we provided to our customers. There are several verification steps during the payment process, therefore it is unlikely that such payment is intended for another account other than our Company's. During the Track Record Period, to the best of our knowledge, we are not aware of any dispute between our customers and third-party payments providers arising out of the Third-Party Payment Arrangements.

Our Directors' Views

To the best of their knowledge, our Directors confirm that the Relevant Customers and third party payment agents of Third-Party Payment Arrangements during the Track Record Period did not have any business, family, trust, financing or other types of relationships with our Group, our directors or senior management at the time of making the respective third-party payment, or which would have prejudiced our transactions with the Relevant Customers.

Our Directors are of the view that relevant transactions underlying the Third-Party Payment Arrangements during the Track Record Period existed and were genuine, on the basis that:

- We reconciled our records against the statements issued by the financial institutions on a monthly basis.
- Each customer's payment required logging into its account and providing a randomly generated payment transaction number was generated by the paying financial institutions when making payment. Our finance department verified the transaction number in the payment record. Only the payer could acquire the transaction number while the accounts were password protected. Under this design, the payer and the account holder must exchange the payment information and the account details to effect a third-party payment.

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- Customer's account included information such as balance, detailed records of each purchase, refund and transaction history. If we received unknown payment that does not match with any transaction, we promptly worked with the finance department to inspect it.
- Income from each API request corresponded to a purchase from a supplier. Such a match was traceable in our system.
- The recognition of revenue from the API Marketplace follows the principle of revenue recognition upon provision of API services. In cases where customers make payments to the Group for the purchase of API queries and SMS alerts online, but have not used the services, the corresponding payment received is not recognized as revenue. In the case of top-up services, revenue is recognized when the value is added to the designated mobile number as requested by the customer and not when the funds are received by us.

Our Directors are of the view that the Third-Party Payment Arrangements during the Track Record Period arose out of genuine transactions and that the money laundering risks related to the Third-Party Payment Arrangements is low due to the following reasons:

- (i) Approximately RMB1.7 million, RMB0.5 million and RMB0.1 million, respectively, of the transaction amount received via the Third-Party Payment Arrangements were refunded in 2021, 2022 and 2023, respectively, thus suggesting that most customers actually used our services as there was a low level of refunds. The circumstances that led to refunds during the Track Record Period were (1) the discontinued operation of certain APIs we offered, (2) the customers no longer needing to use the APIs services they purchased, (3) our inability to accept the payment due to inconsistency between the account details in our accounting system and the payment details, (4) operational errors of the customers, such as topping up to a wrong mobile number or wrong top-up amount, and (5) the customers not using the API service for a long period after the purchase;
- (ii) During the Track Record Period, there was no payments related dispute between our customers and our Group;
- (iii) Third-Party Payment Arrangements are not uncommon as market practices adopted by individuals and small businesses in China and also not uncommon for API-enabled data exchange service market in China;
- (iv) As advised by our PRC Legal Advisors stated above, Third-Party Payment Arrangements are not in breach of the mandatory provisions of the PRC civil law and other applicable laws or regulations in China.

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We have established our anti-money laundering policies which sets out, among others;

- (i) guidelines for identifying suspicious transactions (in respect of third-party payment arrangements in particular), such as instances of any sudden unusual increase of transaction amounts, when more than 50% of the transaction amount of a customer paid by a third-party paying entity, customers authorizing more than three third-party paying entities in a calendar year or customers using third-party paying entity without justified reasons; and
- (ii) measures to be taken by us in respect of suspicious transactions, which includes (a) establishing a watch list of entities or people who has potential risks of money laundering; (b) monitoring the transactions which may involve entities or people on the watch list and taking further measures such as suspension of transactions, fund transfer refusal and freezing of assets; (c) screening the relationship between customers and their third-party paying entity; and (d) imposing a reporting obligation on suspicious transactions to the police or other government authorities.

Since the implementation of our anti-money laundering policies in June 2023 and up to the Latest Practicable Date, nothing has come to our Directors' attention to make us believe that such policies are not sufficient and effective, on the basis that:

- (i) We have established a suspicious transaction reporting list. As of the Latest Practicable Date, no suspicious transaction was reported.
- (ii) We have established a watch list of entities or people who have potential risks of money laundering and terrorist financing and checked our current customers and suppliers against it. The watch list includes (1) terrorist individuals and organizations released by the Ministry of Public Security; (2) individuals and organizations sanctioned by the United Nations recognized by the PRC government; (3) other individuals and organizations on the watch lists of anti-money laundering and anti-terrorist financing released by other international organizations and jurisdictions that are recognized by the PRC government; (4) other watch list of anti-money laundering and anti-terrorist financing that is required to watch by the People's Bank of China; and (5) other watch lists that we believe should be included. Since our initial check and up to the Latest Practicable Date, none of our customers and suppliers were on the watch list.
- (iii) Since June 2023 and up to the Latest Practicable Date, we have not been subject to any payment-related dispute between us and our customers.
- (iv) During the Track Record Period and up to the Latest Practicable Date, to our knowledge we have not received any notice and have not been subject to any investigation, proceedings or penalties arising out of money-laundering of our customers.
- (v) The API-enabled service market in China is not an industry which is frequently used for money laundering.

As of November 27, 2023, we have ceased to accept Third-Party Payment Arrangements.

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Sole Sponsor’s View

The Sole Sponsor has reviewed the legal analysis of the PRC Legal Advisors, with the assistance of its PRC legal advisors, who concur with the analysis of the PRC Legal Advisors. The PRC Legal Advisors have also confirmed that the Company is not an obliged anti-money laundering institution (反洗錢義務機構) as prescribed under PRC laws and is not subject to the stringent anti-money laundering obligations imposed on such institutions. The Sole Sponsor has further reviewed the Group’s internal control measures on anti-money laundering as discussed above together with the internal control consultant engaged by the Company. Based on such due diligence, nothing has come to the attention of the Sole Sponsor that would lead itself to disagree on the foregoing Directors’ and the PRC Legal Advisors’ views.

Data Security Compliance

Cybersecurity and internet data security

Based on the consultation with the CCRC and our further analyses as set forth below, as advised by our PRC Legal Advisors, our Directors are of the view that the Cybersecurity Review Measures and the Draft Cyber Data Security Regulations, as implemented in its current form, would not have a material adverse impact on our business operations or the [REDACTED]. However, we cannot guarantee whether we will be subject to cybersecurity review in the future, or if new rules or regulations promulgated in the future will impose additional compliance requirements on us. See “Risk Factors – Risks Relating to Our Business and Industry – Our failure to comply with existing or future laws and regulations related to data security, data protection, cybersecurity or personal information protection could lead to suspension of our business operations, liabilities, administrative penalties or other regulatory actions, which could negatively affect our results of operations and business.” Further, the Cybersecurity Review Measures grants authorities the discretion to initiate cybersecurity review against any entity if they believe such entity’s data processing activities may or does affect national security. However, it is unclear how the regulations in its final form would be interpreted and enforced in practice. For a detailed explanation of the relevant regulations, see “Regulatory Overview”.

Under the Cybersecurity Review Measures, a cybersecurity review could be triggered if, (i) a critical information infrastructure operator, or CIIO, that intends to purchase network products and services; (ii) a network platform operator that possesses the personal information of more than one million people intends to be listed abroad (國外上市); or (iii) for any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security. In the third case, the Office of Cybersecurity Review shall report this circumstance to the Central Cyberspace Affairs Commission for approval, and conduct a review after approval. According to the consultation with CCRC that our PRC Legal Advisors conducted on our behalf on June 19, 2023, the CCRC confirmed that (i) since Hong Kong is a special administrative region of the PRC, a listing in Hong Kong is not considered a listing “abroad” and, therefore we are not subject to the application for cybersecurity review under Article 7 of the Cybersecurity Review

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Measures; (ii) if no notification is received from the competent authorities requesting a cybersecurity review or classifying our Company as a CIIO, there is no need to declare or conduct a cybersecurity review at this time; (iii) if no notification is received from the competent authorities, the Company’s products, services and data-processing activities so far could not be considered by the competent authorities as “affect[ing] or potentially affect[ing] national security”; and (iv) since the Draft Cyber Data Security Regulations has not become effective or been formally implemented, we are currently not required to apply for cybersecurity review under this regulation. See “Risk Factors – Risks Relating to Our Business and Industry – Our failure to comply with existing or future laws and regulations related to data security, data protection, cybersecurity or personal information protection could lead to suspension of our business operations, liabilities, administrative penalties or other regulatory actions, which could negatively affect our results of operations and business.”

The Regulations on Cyber Data Security Management (Draft for comments) (《網絡數據安全管理條例(徵求意見稿)》) (“**Draft Cyber Data Security Regulations**”) provides, among other things, that a data processor shall apply for a cybersecurity review in compliance with relevant national regulations under certain circumstances, primarily over matters affecting national security. As of the Latest Practicable Date, the Draft Cyber Data Security Regulations have not been enacted or taken effect, and there had been no clarifications from the authorities as to the standards for determining the activities that “affects or may affect national security” and there is no timetable as to when it will be enacted. Therefore, as we believe we have not undertaken and do not intend to undertake matters affecting national security, we have not applied for a cybersecurity review. Nevertheless, as advised by our PRC Legal Advisors, the PRC government authorities may have discretion in the interpretation of what activities “affect or may affect national security”. We will continue to monitor developments to this regulation. See “Risk Factors – Risks Relating to Our Business and Industry – Our failure to comply with existing or future laws and regulations related to data security, data protection, cybersecurity or personal information protection could lead to suspension of our business operations, liabilities, administrative penalties or other regulatory actions, which could negatively affect our results of operations and business.”

As of the Latest Practicable Date, (i) we had not been notified of being classified as a CIIO, or been involved in any investigations on cybersecurity review made by the CAC and other relevant authorities, nor had we received any inquiry notice, warning, or sanctions in such respects; (ii) we had formulated effective cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data and prevent unauthorized access or use of data, and there had been no material data leakage during our business operations during the Track Record Period and up to the Latest Practicable Date; and (iii) we had not received any inquiry, notice, warning from any PRC government authorities, and have not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding national security risks caused by our business operations or [REDACTED].

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In addition, the Security Assessment of Outbound Data, which took effect only on September 1, 2022, requires that any data processor that processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information outbound. As of the Latest Practicable Date, we had not been involved in any cross-border data transfer during our daily operations. Based on the advice of our PRC Legal Advisors, our Directors are of the view that the Security Assessment of Outbound Data, if implemented in the current form, would not have a material adverse impact on our business operations or [REDACTED]. However, since the Security Assessment of Outbound Data has been newly promulgated, we cannot assure you that the relevant regulatory authorities will take the same view as ours. In the event that the regulatory authorities deem certain of our activities as a cross-border data transfer, we will be subject to the relevant requirements. See “Risk Factors – Risks Relating to Our Business and Industry – We are subject to risks related to the Security Assessment of Outbound Data”

With the same bases and subject to the observations as set forth above as of the Latest Practicable Date, no material information had come to the attention of the Sole Sponsor that would cause the Sole Sponsor to disagree with the PRC Legal Advisors’ aforementioned views in any material respect.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we have not been and are not involved in any material non-compliance incidents resulting in fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Our PRC Legal Advisors are of the view that the operation of our API marketplace and data management solutions do not fall in any category of any value-added telecommunications services under the Telecom Business Classification Catalog (電信業務分類目錄) and our current operation as of the Latest Practicable Date do not require Electronic Data Interchange License (《增值電信業務經營許可證(在線數據處理與交易處理業務)》) (“**EDI License**”), Internet Content Provider License (《增值電信業務經營許可證(信息服務業務, 僅限互聯網信息服務)》) (“**ICP License**”) or Service Provider License (information services, excluding Internet information services) (《增值電信業務經營許可證(信息服務業務, 不含互聯網信息服務)》) (“**SP License**”, together with the EDI License and the ICP License, the “**VATS Licenses**”), on the basis that:

According to the Telecom Business Classification Catalog, an “online data processing and transaction processing business” refers to the business that provides online data processing and transaction/transaction processing services for customers through various data and transaction/transaction processing application platforms connected to public communication networks or the internet and an “information service business” (together with the online data processing and transaction processing business, the “**VATS services**”) refers to the business that “provides information services to customers through information collection, development, processing, and the construction of information platforms via public communication networks or the internet.”

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Our data management solutions are deployed at customer’s system, and it does not involve services provided through the internet by us. Our API marketplace does not fall into the VATS services because: (i) our API marketplace only includes APIs operated by us and it is not an “application platform” which provides online data processing and transaction/transaction processing services for third parties; (ii) our self-operated platforms do not include any third party merchants or provide any information services for third parties; and (iii) we do not directly send SMS notice by ourselves when operating our SMS notice APIs. Instead, we will require the SMS service provider sending the SMS notice request to hold an SP License.

Based on an interview with the China Academy of Information and Communications Technology (中國信息通信研究院) (“CAICT” as an affiliated institute directly under the MIIT (中國工業和信息化部直屬事業單位)) on August 3, 2023 by our PRC Legal Advisors, during which the deputy director of the Industry and Planning Research Institute of CAICT confirmed that (i) the Institute of Industry and Planning of CAICT and the interviewee provide clarifications on the law, policies and their implementation of VATS services related to our business and provide consultation feedback on the application process and results of the license; and (ii) it agreed with our aforesaid analysis that our API marketplace does not fall under the scope of VATS services and its operation does not require the VATS Licenses.

We held the SP License, ICP License and EDI License during the Track Record Period, and we applied for deregistration of these licenses. Effective from September 2023, August 2023 and August 2023, respectively, the SP License, ICP License and EDI License were deregistered.

Our PRC Legal Advisors have advised that during the Track Record Period and up to the Latest Practicable Date, we have obtained the requisite licenses, qualifications and permits from the relevant PRC regulatory authorities for our operations.

Sole Sponsor’s View

The Sole Sponsor and its PRC legal advisors also attended the CAICT interview on August 3, 2023. The Sole Sponsor has reviewed the legal analysis of the PRC Legal Advisors, with the assistance of its PRC legal advisors, who concur with the analysis of the PRC Legal Advisors, and has considered the rationale of the Company as referred to above. Based on such due diligence, nothing has come to the attention of the Sole Sponsor that would lead itself to disagree on the foregoing Directors’ and the PRC Legal Advisors’ views.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately prior to the [REDACTED], our Company is held as to approximately 43.59%, 7.75%, 1.84% and 0.15% by Mr. Zuo, Yiju Liuhe, Liuju Liuhe and Ms. Hua, respectively. As (i) Ms. Hua is the spouse of Mr. Zuo; and (ii) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe and can exercise the voting rights attached to the Shares held by Yiju Liuhe and Liuju Liuhe in accordance with the respective partnership agreement entered into among the general partner and limited partners of Yiju Liuhe and Liuju Liuhe, Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe are considered to be a group of Controlling Shareholders, who collectively held approximately 53.33% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the [REDACTED], Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe will collectively hold approximately [REDACTED] of our total issued Shares. Accordingly, Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe will remain as our Controlling Shareholders immediately after [REDACTED].

Among our Controlling Shareholders, Mr. Zuo is also our chairman, chief executive officer and executive Director. For further information of Mr. Zuo, see the section headed “Directors, Supervisors and Senior Management”. Ms. Hua has been serving as (i) the executive director and general manager of Shanghai Haotou Investment Management Co., Ltd. (上海豪投投資管理有限公司) since May 2017; and (ii) the assistant to chief executive officer of our Company since January 2019. Yiju Liuhe and Liuju Liuhe are our employee shareholding platforms. For further information of Yiju Liuhe and Liuju Liuhe, see “History, Development and Corporate Structure – Employee Shareholding Platforms”.

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in us after the [REDACTED], for the reasons stated below, we have full rights to make all decisions on, and to carry out, our own business operation independently. We have independent senior management team and staff to support the operation and management of our business. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our offering. We hold the licenses and qualifications necessary to carry on our

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders. We have access to suppliers and customers independently from and not connected to our Controlling Shareholders. As of the Latest Practicable Date, our Group did not share any operational resources, such as sales and marketing and general administration resources with our Controlling Shareholders and their respective close associates.

Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Zuo is our chairman, chief executive officer, executive Director and one of our Controlling Shareholders. Our Board has a balanced composition with a majority of non-executive Directors including independent non-executive Directors who are not associated with the Controlling Shareholders.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among others, that he or she must act for the benefit of and in the best interest of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. In the event that there is a potential conflict of interest arising out of any transactions to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. Further, we believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board. See “Corporate Governance” in this section for further details.

Our senior management team comprises nine members, namely Mr. Zuo, Ms. Yang, Mr. Shao Chuangye, Mr. Shao Lida, Mr. Wei Zheng, Mr. Han Jianfeng, Mr. Dong Chuanzu, Mr. Wang Lei and Ms. Ji Shilin. Save for Mr. Zuo, who is the sole general partner of our employee shareholding platforms Yiju Liuhe and Liuju Liuhe, none of our Directors or senior management of our Company had any roles or responsibilities in managing Yiju Liuhe and Liuju Liuhe during the Track Record Period and up to the Latest Practicable Date.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for the financial control, accounting and reporting functions of our Company. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. As of the Latest Practicable Date, there were no loans, advances and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

balances due to and from our Controlling Shareholders, and no share pledges or guarantees provided by our Controlling Shareholders and their associates on our borrowings. Our source of funding is independent from our Controlling Shareholders and neither our Controlling Shareholders nor their respective associates had financed our operations during the Track Record Period. Our Directors also believe that we are able to obtain financing independently from our Controlling Shareholders. During the Track Record Period and up to the Latest Practicable Date, our finance department and accounting systems operate independently from our Controlling Shareholders.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and have not placed undue reliance on our Controlling Shareholders and their close associates. We have also established the Audit Committee comprising one non-executive Director and two independent non-executive Directors in compliance with Rule 3.21 of the Listing Rules.

NON-COMPETITION UNDERTAKING

On [REDACTED], our Controlling Shareholders granted a non-competition undertaking in favour of our Company (the “**Non-competition Undertaking**”), pursuant to which each of our Controlling Shareholders has unconditionally and irrevocably undertaken to us on a joint and several basis that each of them will not, and will procure that his/her/its close associates and/or companies controlled by him/her/it (other than our Group) will not, either on his/her/its own account or in conjunction with or on behalf of any person or company, directly or indirectly be interested in or carry out or acquire or hold any right or interest (in each case whether as a shareholder, partner, principal or director) in any business which competes or is likely to compete directly or indirectly with the business engaged by our Group in the PRC as disclosed in the document, being the provision of standard API services and customized data management solutions (the “**Restricted Activity**”).

If any of our Controlling Shareholders or his/her/its close associates is offered or becomes aware of any new business opportunity that relates to the Restricted Activity (the “**New Business Opportunity**”):

- (a) he/she/it shall within 30 business days notify our Company of such New Business Opportunity in writing and refer the same to our Company for consideration, and shall provide the relevant information to our Company in order to enable our Company to make an informed assessment of such opportunity; and
- (b) he/she/it shall not, and shall procure that his/her/its close associates not to, invest or participate in any New Business Opportunity, unless such New Business Opportunity shall have been rejected by our Company and the principal terms of which the Controlling Shareholders or his/her/its close associates invest or participate in are no more favourable than those made available to our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Controlling Shareholders or his/her/its close associates may only engage in the New Business Opportunity if (a) a notice is received by the Controlling Shareholder from our Company confirming that the New Business Opportunity is not accepted (the "**Non-acceptance Notice**"); or (b) the Non-acceptance Notice is not received by the Controlling Shareholder within 30 business days after the proposal of the New Business Opportunity is received by our Company. In the event that there are any material changes to the nature, terms or conditions of the New Business Opportunity accepted by the Controlling Shareholders or his/her/its close associates, the Controlling Shareholders shall and shall procure his/her/its close associates to refer the revised New Business Opportunity to our Company.

Any Director who has an actual or potential material interest in the New Business Opportunity shall abstain from attending (unless his/her attendance is specifically requested by the remaining non-interested Directors) and voting at, and shall not be counted towards the quorum for, any meeting or part of a meeting convened to consider such New Business Opportunity. Our Board (including our independent non-executive Directors) will be responsible for reviewing and considering whether or not to take up a New Business Opportunity referred by a Controlling Shareholder or his/her/its close associates. The factors that will be taken into consideration by our Board in making the decision include the financial implication of the New Business Opportunity, the macroeconomic conditions and whether the nature of the New Business Opportunity is in line with the strategy and development plans of our Group.

The above undertakings are subject to the exceptions that:

- (i) any of our Controlling Shareholders and his/her/its close associates may engage in any business which is not identical or similar to the Restricted Activity and not in direct or indirect competition with the Restricted Activity; and
- (ii) each of our Controlling Shareholders may either by himself/herself/itself individually or through his/her/its close associate(s) hold and/or be interested in any shares or other securities in any private company and/or listed company which engages or is involved in any business or activity which directly or indirectly competes with the Restricted Activity, provided that (a) our Controlling Shareholders and their respective close associates will not participate in or be otherwise involved in the management of that private company and/or listed company; (b) the total shareholding held by our Controlling Shareholders and their respective close associates in such private company and/or listed company, whether directly or indirectly, do not, in aggregate exceed 10% of the issued share capital of such private company and/or listed company; and (c) our Controlling Shareholders and/or his/her/its close associates are not entitled to appoint a majority of the directors of that private company and/or listed company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Non-competition Undertaking is conditional on (i) the Stock Exchange granting the [REDACTED] of, and [REDACTED] in, all of our H Shares to be [REDACTED] under the [REDACTED] and the H Shares to be converted from [REDACTED] Shares, on the Stock Exchange; and (ii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED]) and that the [REDACTED] not being terminated in accordance with their terms or otherwise.

The Non-competition Undertaking shall cease to be effective on the earlier of the dates below:

- (i) the date on which our Controlling Shareholders and their close associates (individually or taken as a whole) cease to be the Controlling Shareholders of our Company for the purpose of the Listing Rules; or
- (ii) the date on which our H Shares cease to be [REDACTED] on the Stock Exchange.

Under the Non-competition Undertaking, each of our Controlling Shareholders has unconditionally and irrevocably undertaken that he/she/it shall and shall procure his/her/its close associates to cooperate to provide all information necessary for the annual review by our independent non-executive Directors, their respective representatives and the auditors of our Group with regard to compliance with the terms of the Non-competition Undertaking. Each of our Controlling Shareholders has also unconditionally and irrevocably undertaken to make an annual declaration as to full compliance with the terms of the Non-competition Undertaking and a consent to disclose such letter in our annual report.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “CG Code”), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates have a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their close associates, our Company will comply with the applicable Listing Rules;
- (iii) our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our independent non-executive Directors for the Annual Review;
- (v) our Company will disclose decisions (with basis) on matters reviewed by our independent non-executive Directors either in its annual report or by way of announcements;
- (vi) where our Directors reasonably request the advice of independent professionals such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (vii) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to use in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

CONNECTED TRANSACTION

OVERVIEW

Our Company has entered into an agreement with Jiangsu Jingdong Xuke Information Technology Co., Ltd. (江蘇京東旭科信息技術有限公司) (“**Jingdong Xuke**”) which will, upon [REDACTED], become our connected person (as defined under Chapter 14A of the Listing Rules). Upon [REDACTED], such transaction will constitute partially-exempt continuing connected transaction (the “**Partially-exempt Continuing Connected Transaction**”) of our Group, which will be subject to the announcement, reporting and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules, details of which are set out below.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

API Interface Service Agreement

Principal Terms

On March 30, 2023, our Company entered into an agreement relating to the provision of API interface service with Jingdong Xuke (the “**API Interface Service Agreement**”), pursuant to which our Company will provide an interface to the online platforms and mobile applications operated by JD.com (the holding company of Jingdong Xuke) (the “**JD Platforms**”) to enable the end-users to top-up their mobile accounts through the JD Platforms (the “**API Interface Services**”). The API Interface Service Agreement has a term commencing from April 1, 2023 and ending on March 31, 2024. The provision of the API Interface Services is in the ordinary and usual course of business of our Company and we may continue the provision of the API Interface Services to Jingdong Xuke and its associates (as defined in the Listing Rules) in the future, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Reasons for and benefits of entering into the transaction

We are principally engaged in the provision of standard API services and customized data management solutions and it is in our ordinary and usual course of business to provide API Interface Services.

Since 2020, we have been providing the API Interface Services to Jingdong Xuke and its associates and we have established compatible systems with the relevant parties. Having considered that JD.com (the holding company of Jingdong Xuke) is a well-known e-commerce platform in the PRC with a relatively large customer base and customer traffic, it is mutually beneficial for our Group and Jingdong Xuke to cooperate with each other on the provision and purchase of the API Interface Services as each of our Group and JD.com enjoys competitive advantages in its respective business segment. Also, the transactions with Jingdong Xuke enable our Group to expand our customer base and market penetration. Our Directors are of the

CONNECTED TRANSACTION

view that the price of service fees payable by Jingdong Xuke is in line with market practice and the transactions contemplated under the API Interface Service Agreement will provide us with a steady source of income which is in the interest of our Company and our Shareholders as a whole.

Pricing policies

The price and any corresponding discount in respect of the API Interface Services will be based on the top-up value purchased and the type of telecommunications operators. The discount is a percentage discount based on total top-up value purchased in one transaction.

The amounts paid and to be paid by Jingdong Xuke to our Company under the API Interface Service Agreement are determined based on normal commercial terms after arm's length negotiations between the relevant parties with reference to (i) our cost in relation to the provision of the API Interface Services on a cost-plus basis by adding a reasonable profit which varies with the volume of the order; (ii) the prevailing market price for similar services in the PRC; (iii) the prevailing market price in respect of similar services to companies comparable to Jingdong Xuke; and (iv) the prevailing market price of similar services set by other companies comparable to us for sales to companies comparable to Jingdong Xuke.

The sales price for our API Interface Services under the API Interface Service Agreement are fair and reasonable, and on normal commercial terms no less favorable to our Company than terms offered to Independent Third Parties. The level of profits we received and to be received from Jingdong Xuke are consistent with our pricing policy for similar transactions we entered into with our Independent Third Party customers of comparable profile.

Historical transaction amounts

For the three years ended December 31, 2021, 2022 and 2023, the transaction amounts (in our capacity as an agent to transactions of this nature) were approximately RMB5,531,801, RMB4,914,027 and RMB5,055,722, respectively. The historical amounts were relatively significant in 2021 upon the establishment of the compatible systems. From 2021 to 2022, the historical transaction amounts decreased slightly due to budget adjustment of Jingdong Xuke as a result of the macroeconomic condition in 2022. From 2022 to 2023, the historical transaction amounts grew rapidly due to the rising demands for API Interface Services from Jingdong Xuke in light of their expanded investment in marketing and promotional activities for major events and festivals in 2023 as a result of the gradual recovery of the global economy.

Proposed annual cap

Our Directors estimate that the proposed annual cap in respect of the transactions contemplated under the API Interface Service Agreement will not exceed RMB2,400,000 for the three months ending March 31, 2024.

CONNECTED TRANSACTION

The above proposed annual cap is determined with reference to the following factors:

- (i) the historical transaction amounts paid by Jingdong Xuke to our Company in respect of the API Interface Services;
- (ii) the expected amount of API Interface Services required by Jingdong Xuke in light of the promotions expected to be launched on the JD Platforms from time-to-time; and
- (iii) the sales price of the API Interface Services agreed between our Company and Jingdong Xuke in the previous agreements.

Implications under the Listing Rules

Jingdong Xuke is an indirect wholly-owned subsidiary of JD.com where JD.com is a majority-controlled company (as defined in the Listing Rules) of Mr. Richard Liu. As of the Latest Practicable Date, JD Technology was also a majority-controlled company (as defined in the Listing Rules) of Mr. Richard Liu where Mr. Richard Liu was entitled to exercise majority control over JD Technology through his direct and indirect interest in JD Technology. Accordingly, Mr. Richard Liu is deemed to be our substantial Shareholder by virtue of his deemed interest in JD Technology. Since JD.com and JD Technology are majority-controlled entities of Mr. Richard Liu, Jingdong Xuke, being an indirect wholly-owned subsidiary of JD.com, is an associate of Mr. Richard Liu and thus a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the API Interface Service Agreement will constitute continuing connected transactions for our Company upon [REDACTED].

Since the highest applicable percentage ratio in respect of the API Interface Service Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the API Interface Service Agreement constitute continuing connected transactions for our Company which are subject to reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders’ approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

CONFIRMATION BY OUR DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transaction described in “Partially-exempt Continuing Connected Transaction” above has been and will continue to be carried out (i) in the ordinary and usual course of business of our Company; (ii) on normal commercial terms or better and in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (iii) the proposed annual cap in relation thereto are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONNECTED TRANSACTION

CONFIRMATION BY THE SOLE SPONSOR

Based on (i) the relevant documents and information provided by our Group, (ii) participation in the due diligence and discussions with our management; and (iii) the relevant representations and confirmations from our Company and our Directors, the Sole Sponsor is of the view that (i) the continuing connected transaction described in “Partially-exempt Continuing Connected Transaction” above has been and will be entered into in the ordinary and usual course of our business; (ii) on normal commercial terms or better and in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (iii) the proposed annual cap in relation thereto are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

APPLICATION FOR WAIVER

As the transaction described under “Partially-exempt Continuing Connected Transaction” constitute continuing connected transaction under the Listing Rules are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders’ approval requirements, our Directors consider that strict compliance with the announcement requirement under the Listing Rules would be unduly burdensome and would add unnecessary administrative costs to our Company, which would not be beneficial to our Shareholders as a whole. Therefore, pursuant to Rule 14A.105 of the Listing Rules, our Company has applied to the Stock Exchange for and the Stock Exchange [has granted] a waiver to our Company from compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the Partially-exempt Continuing Connected Transaction.

We will comply with the other applicable provisions under Chapter 14A of the Listing Rules in respect of such Partially-exempt Continuing Connected Transaction.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board currently consists of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors.

The powers and duties of our Board include convening general meetings and reporting our Board’s work at general meetings, determining our business and development plans, preparing our annual financial budgets and financial reports, formulating proposals for dividend distributions and for the increase or reduction of our authorized share capital as well as exercising other powers, functions and duties as conferred by our Articles of Association. We [have entered] into service contracts with each of our executive Directors and non-executive Directors. We [have also entered] into letters of appointment with each of our independent non-executive Directors.

Members of Our Board

The table below sets out certain information in relation to members of our Board:

Name	Age	Existing position(s) in our Group	Time of joining our Group	Date of appointment as Director	Principal responsibilities	Relationship with other Directors, Supervisors and senior management
Executive Directors						
Mr. Zuo Lei (左磊)	38	Chairman of our Board, chief executive officer and executive Director of our Company Chairman and director of Beijing Sidike Chairman and director of Zhonghui Juhe Director, general manager and head of finance of Wuhan Jushunhe Director and manager of Juli Wanhe	February 2010	February 2010	Overseeing day-to-day operations and overall business strategy and planning of our Group and overseeing our Board	None
Mr. Wang Haojin (王昊今)	39	Executive Director Supervisor of Juli Wanhe	November 2011	February 2014	Handling client relationship management and maintenance	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Existing position(s) in our Group	Time of joining our Group	Date of appointment as Director	Principal responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Lin Shan (林杉)	39	Executive Director Supervisor of Wuhan Jushunhe	October 2014	December 2015	Handling key customer relationships and business development	None
Ms. Yang Yanjun (楊彥君)	37	Executive Director, deputy general manager, secretary to our Board and joint company secretary of our Company	July 2018	December 2020	Handling day-to-day affairs of our Board, assisting our Board in legal compliance matters and handling public relations of our Group	None
Non-executive Directors						
Mr. Qiu Jianqiang (邱堅強)	49	Non-executive Director	December 2016	December 2016	Providing management and strategic advice to our Group	None
Mr. Gao Yuan (高原)	41	Non-executive Director	July 2023	July 2023	Providing management and strategic advice to our Group	None
Independent non-executive Directors						
Mr. Huang Xuexian (黃學賢)	60	Independent non- executive Director	August 2017	August 2017	Supervising our Board and providing independent advice to our Board	None
Mr. Chen Xinhe (陳新河)	48	Independent non- executive Director	August 2017	August 2017	Supervising our Board and providing independent advice to our Board	None
Mr. Li Shun Fai (李淳暉)	43	Independent non- executive Director	May 2023	May 2023	Supervising our Board and providing independent advice to our Board	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Zuo Lei (左磊), aged 38, founded our Company in February 2010 and is currently the chairman of our Board, chief executive officer and executive Director of our Company. Mr. Zuo was re-designated as our executive Director in June 2023. Mr. Zuo is primarily responsible for overseeing day-to-day operations and overall business strategy and planning of our Group and overseeing our Board. He also serves in various roles in our subsidiaries, including (i) the chairman and director of Beijing Sidike and Zhonghui Juhe; (ii) the director and manager of Juli Wanhe; and (iii) the director, general manager and head of finance of Wuhan Jushunhe.

Mr. Zuo has over 13 years of experience in big data industry.

Mr. Zuo is (i) the vice chairman of the Youth Enterprise Association in Jiangsu Province (江蘇省青年企業家聯合會); and (ii) the vice chairman of Suzhou Artificial Intelligence Industry Association (蘇州市人工智能行業協會).

Mr. Zuo obtained his bachelor’s degree in computer science and technology from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC in June 2006. He further obtained his executive master of business administration degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2021.

Mr. Zuo had various roles in certain dissolved companies, details of which are set out below:

<u>Name of company</u>	<u>Position</u>	<u>Place of establishment</u>	<u>Nature of business</u>	<u>Reason for dissolution</u>	<u>Date of dissolution</u>
Beijing Yingchuang Wanhe Advertising Co., Ltd. (北京贏創萬合廣告有限公司)	Legal representative	PRC	Provision of leasing and commercial services in the PRC	Members’ resolutions	October 24, 2018
Suzhou Ape Ecological Information Technology Co., Ltd. (蘇州猿生態信息科技有限公司) (“Ape Ecological Information Technology”)	Director	PRC	R&D, technical consultation and information system integration services in the PRC	Members’ resolutions	July 15, 2019
Suzhou Tianju Shunhe Management Consulting Partnership Enterprise (Limited Partnership) (蘇州天聚順合管理諮詢合夥企業(有限合夥))	Executive partner	PRC	Provision of enterprise management consulting and information consulting services in the PRC	Members’ resolutions	October 19, 2021

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zuo confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with these dissolved companies; (ii) there is no outstanding claim or liability against him in connection with these dissolved companies; and (iii) these companies were solvent at the time of their respective dissolution.

As of the Latest Practicable Date, Mr. Zuo was interested in an aggregate of approximately 53.33% equity interest of our Company. See “Appendix VII – Statutory and General Information – Further Information About Our Directors, Supervisors and Substantial Shareholders” for details.

Mr. Wang Haojin (王昊今) (formerly known as Wang Haojun (王昊隽)), aged 39, joined our Company in November 2011 as our Director and general manager until December 2013. Subsequently, he has served in various roles in our Company, including the general manager of our key account unit and Supervisor. He was re-appointed as our Director in February 2014 and re-designated as our executive Director in June 2023. He is primarily responsible for client relationship management and maintenance. Mr. Wang has over 11 years of experience in client development and management. He is also the supervisor of Juli Wanhe.

Mr. Wang obtained his bachelor’s degree in computer science and technology from Nanjing University of Aeronautics and Astronautics (南京航空航天大学) in the PRC in June 2006.

Mr. Wang was a director or supervisor of certain dissolved companies, details of which are set out below:

<u>Name of company</u>	<u>Position</u>	<u>Place of establishment</u>	<u>Nature of business pursuant to the business license</u>	<u>Reason for dissolution</u>	<u>Date of dissolution</u>
Ape Ecological Information Technology	Director	PRC	Provision of R&D, technical consultation and information system integration services	Members’ resolutions	July 15, 2019
Changshu Hefang Education and Training Center Co., Ltd. (常熟市荷方教育培训中心有限公司)	Director	PRC	Provision of subject-based training for primary and middle school students	Members’ resolutions	February 15, 2023

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of company	Position	Place of establishment	Nature of business pursuant to the business license	Reason for dissolution	Date of dissolution
Changshu Yuanfang Education Training Center Co., Ltd. (常熟市遠方教育培訓中心有限公司)	Supervisor	PRC	Provision of subject-based training for primary and middle school students	Members' resolutions	April 26, 2023
Changshu Lushan Xiaohu Education Information Consulting Services Department (常熟市虞山鎮小荷教育信息諮詢服務部)	Operator	PRC	Provision of education information consulting services	Members' resolutions	August 10, 2018
Changshu Jinghe Education Information Consulting Co., Ltd. (常熟市菁荷教育信息諮詢有限公司)	Executive Director, legal representative and general manager	PRC	Provision of education information consulting services	Members' resolutions	September 8, 2020
Changshu Hewen Education and Training Center Co., Ltd. Zhongnan Jincheng Branch (常熟市荷文教育培訓中心有限公司中南錦城分公司)	Person-in-charge	PRC	Provision of language training for primary school students	Members' resolutions	November 11, 2022

Mr. Wang confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with these dissolved companies; (ii) there is no outstanding claim or liability against him in connection with these dissolved companies; and (iii) these companies were solvent at the time of their respective dissolution.

Mr. Lin Shan (林杉), aged 39, was appointed as our Director in December 2015 and re-designated as our executive Director in June 2023. Mr. Lin joined our Company in October 2014 as a manager of our key account division. He is primarily responsible for managing our Company's key customer relationships and business development. He is also the supervisor of Wuhan Jushunhe.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lin has over 16 years of experience in information technology industry. Prior to joining our Company, from June 2007 to September 2012, Mr. Lin served in AsiaInfo Technologies (Nanjing) Inc. (亞信科技(南京)有限公司), a company principally engaged in the provision of software products, solutions and services in the PRC. From December 2013 to May 2014, he served in Nanjing Tongren Information Technology Co., Ltd. (南京同人信息技術有限公司), a company principally engaged in image and video technology research and provision of video detection technology products and services in the PRC.

Mr. Lin had previously served in Nanjing Xilian Software Technology Co., Ltd. (南京希聯軟件科技有限公司) (“**Nanjing Xilian**”) from November 2012 to March 2016, with his last position as the legal representative of Nanjing Xilian. Nanjing Xilian is a company principally engaged in the provision of computer software and hardware design services and network technology services in the PRC. Nanjing Xilian was dissolved on October 28, 2022 as a result of members’ resolutions. Mr. Lin confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with the dissolution of Nanjing Xilian; (ii) there is no outstanding claim or liability against him in connection with the dissolution of Nanjing Xilian; and (iii) Nanjing Xilian was solvent at the time of its dissolution.

Mr. Lin obtained his bachelor’s degree in computer science and technology from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC in June 2006.

Ms. Yang Yanjun (楊彥君), aged 37, was appointed as our Director in December 2020 and re-designated as our executive Director in June 2023. Ms. Yang joined our Company in July 2018 as a deputy general manager and has also been serving as the secretary of our Board since February 2019. She was appointed as one of our joint company secretaries in August 2023. She is primarily responsible for handling day-to-day affairs of our Board, assisting our Board in legal compliance matters and handling public relations of our Group.

Ms. Yang has over five years of experience in big data industry. Prior to joining our Company, from July 2009 to March 2016, Ms. Yang served as a professional director of the business development unit of the financial service center under the external cooperation department in China Fortune Land Co., Ltd. (華夏幸福基業股份有限公司), a company principally engaged in real estate development in the PRC, where she was primarily responsible for business development. From May 2015 to January 2019, she served as the chairlady of Beijing Phoenix Interactive Entertainment Investment Management Co., Ltd. (北京鳳凰互娛投資管理有限公司) (formerly known as Blue Lotus Capital Co., Ltd. (藍蓮盛世(北京)投資管理有限公司)), a company principally engaged in the provision of investment and asset management services in the PRC, where she was primarily responsible for providing customized strategic advices, financing solutions and management consultancy services to small and medium enterprises. From October 2017 to March 2018, she served as the president assistant of Indonesia Lippo Group (印尼力寶集團), one of Asia’s largest and most diversified conglomerates, where she was primarily responsible for assisting the president with operational and administrative management.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Yang obtained her bachelor’s degree in tourism management from Xi’an University of Finance and Economics (西安財經學院) in the PRC in June 2009. She further obtained her executive master of business administration degree from Renmin University of China (中國人民大學) in the PRC in January 2018. Ms. Yang was awarded the Doctor of Philosophy in Business Studies from Cardiff University in the United Kingdom in December 2021.

Non-executive Directors

Mr. Qiu Jianqiang (邱堅強), aged 49, was appointed as our Director in December 2016 and re-designated as our non-executive Director in June 2023. Mr. Qiu is primarily responsible for providing management and strategic advice to our Group.

Mr. Qiu has over 26 years of management experience in garment industry. Prior to joining our Company, since December 1996, Mr. Qiu has served in various managerial roles (including vice president and director) in Semir Group Co., Ltd. (森馬集團有限公司) (the “**Semir Group**”), a company principally engaged in the garment business in the PRC, where he is primarily responsible for strategic planning and overseeing the management and operation of Semir Group. Since 2009, Mr. Qiu has served in various roles in Zhejiang Semir Garment Co., Ltd. (浙江森馬服飾股份有限公司) (“**Zhejiang Semir**”), a PRC garment company which is owned as to 12.47% by Semir Group and whose shares are listed on the Shenzhen Stock Exchange (stock code: 002563), including president, director and vice chairman. He is currently the chairman of Zhejiang Semir and primarily responsible for the overall management, strategic planning and decision making of Zhejiang Semir.

Mr. Qiu is also (i) the representative of the People’s Congress of Minhang District in Shanghai; and (ii) the vice chairman of the seventh council to the China National Garment Association (中國服裝協會第七屆理事會).

Mr. Qiu obtained his executive master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in October 2014.

As of the Latest Practicable Date, Mr. Qiu was one of our [REDACTED] Investors and interested in approximately 8.91% equity interest of our Company. See “Appendix VII – Statutory and General Information – Further Information About Our Directors, Supervisors and Substantial Shareholders” for details.

Mr. Gao Yuan (高原), aged 41, joined our Company as a non-executive Director in July 2023. He is primarily responsible for providing management and strategic advice to our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Gao has over seven years of management experience in the technology industry. The major work experience of Mr. Gao are as follows:

Name of company	Service period	Position	Primary responsibilities	Principal activities of the company
JD Technology	From September 2015 to current	Head of strategic and integrated support	Overseeing strategic planning and business strategy development	Provision of technology products and solutions
Suqian Zhongyiguan Business Consulting Co., Ltd. (宿遷中益冠商務諮詢有限公司)	From December 2019 to current	Executive director, general manager and legal representative	Handling the daily operation and management	Provision of financial consulting services
JD Molybdenum Media Technology Co., Ltd. (京東鎢媒科技有限公司)	From December 2021 to current	Executive director, general manager and legal representative	Handling the daily operation and management	Provision of public relations, market research and advertising services
Tianjin JD Molybdenum Media Technology Co., Ltd. (天津京東鎢媒科技有限公司)	From January 2022 to current	Executive director, manager and legal representative	Handling the daily operation and management	Provision of market research and advertising services
Jingmo (Shanghai) Technology Co., Ltd. (京鎢(上海)科技有限公司)	From February 2022 to current	Executive director, general manager and legal representative	Handling the daily operation and management	Provision of telecommunications top-up, technical and big data services
Shanghai Baixun Investment Management Co., Ltd. (上海百迅投資管理有限公司)	From June 2023 to current	Legal representative	Handling the daily operation and management	Provision of investment and asset management services

Mr. Gao obtained his bachelor’s degree in information engineering from South China University of Technology (華南理工大學) in the PRC in July 2005. He further obtained his master’s degree in communication and information system from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in March 2009.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Huang Xuexian (黃學賢), aged 60, was appointed as our independent Director in August 2017 and re-designated as our independent non-executive Director in June 2023. Mr. Huang is primarily responsible for supervising our Board and providing independent advice to our Board.

Mr. Huang has over 38 years of experience in legal education industry. From July 1985 to June 2015, Mr. Huang has been serving as a lecturer, associate professor and professor at Soochow University (蘇州大學) in the PRC. From September 2008 to June 2015, he has served as the vice president of the law faculty at Soochow University, where he was primarily responsible for teaching management. Since December 2022, Mr. Huang has also served as an independent director of Canmax Technologies Co., Ltd. (蘇州天華新能源科技股份有限公司), a company principally engaged in the provision of electrostatic and micro-pollution prevention and control solutions in the PRC and whose shares are listed on the Shenzhen Stock Exchange (stock code: 300390), where he is primarily responsible for supervising and providing independent advice to the board. To strengthen his skillset as our independent non-executive Director and his knowledge in relation to corporate governance, he has attended the 75th Shanghai Stock Exchange Independent Director Qualification Training in April 2021.

Mr. Huang is the member of the eighth council of the Institute of Rule of Law, China University of Political Science and Law (中國政法大學法治政府研究院).

Mr. Huang obtained his bachelor’s degree in political science, master’s degree in administrative law and doctoral degree in constitutional and administrative laws from Soochow University (蘇州大學) in the PRC in July 1985, June 1997 and December 2016, respectively.

From September 19, 2003 to December 28, 2005, Mr. Huang served as a supervisor of Suzhou Industrial Park Haikun Business Consulting Co., Ltd. (蘇州工業園區海鯤商務諮詢有限公司) (“**Suzhou Haikun**”), a limited liability company established in the PRC. Suzhou Haikun was revoked on December 28, 2005 as a result of revocation of business license due to the fact that Suzhou Haikun was not engaging in any business activities for more than six months prior to the date of the revocation. Mr. Huang confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with the revocation of Suzhou Haikun; (ii) there is no outstanding claim or liability against him in connection with the revocation of Suzhou Haikun; and (iii) Suzhou Haikun was solvent at the time of its revocation. Mr. Huang confirmed that since the revocation and as of the Latest Practicable Date, Suzhou Haikun has not carried out any business activities and, so far as he was aware, the revocation of the business licenses of Suzhou Haikun has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against Suzhou Haikun.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Chen Xinhe (陳新河), aged 48, was appointed as our independent Director in August 2017 and re-designated as our independent non-executive Director in June 2023. Mr. Chen is primarily responsible for supervising our Board and providing independent advice to our Board.

Mr. Chen has over 21 years of experience in big data industry. Prior to joining our Company, from December 2001 to June 2015, Mr. Chen has worked in the China Industrial Control Systems Cyber Emergency Response Team (CICS-CERT) (國家工業信息安全發展研究中心) (formerly known as the Institute of Electronic Science and Technology Information of the MIIT (工業和信息化部電子科學技術情報研究所)), a centralized professional science and technology intelligence research institution in the PRC, where he was primarily responsible for R&D and promoting the technological advancement in the PRC. Since June 2015, he has been serving as the deputy secretary-general of Zhongguancun Big Data Industry Alliance (中關村大資料產業聯盟), a non profit-making organization which is committed to promoting the development of big data industry in the PRC, where he is primarily responsible for assisting with the operation of the alliance.

Mr. Chen obtained his bachelor’s degree in metal pressure processing from the faculty of material engineering from Southern Institute of Metal (南方冶金學院) in the PRC in July 1997. He further obtained his master’s degree in business administration from the Beijing Institute of Technology (北京理工大學) in the PRC in March 2004.

Mr. Li Shun Fai (李淳暉), aged 43, was appointed as our independent Director in May 2023 and re-designated as our independent non-executive Director in June 2023. Mr. Li is primarily responsible for supervising our Board and providing independent advice to our Group.

Mr. Li has over 20 years of experience in auditing and financial management. Prior to joining our Company, from September 2002 to April 2011, Mr. Li successively served in various roles in Deloitte China, with his last position as a senior manager, where he was primarily responsible for providing professional audit services. From April 2011 to June 2013, Mr. Li served as the head of finance of Shantou International Container Terminals in Hutchison Port Holdings Limited, a company principally engaged in the operation of ports and terminals, where he was primary responsible for financial management. Subsequently, he joined Zhonghui Anda CPA Limited, an auditing firm in Hong Kong, and has been serving as an audit partner, where he is primarily responsible for the provision of audit services to listed companies in Hong Kong.

From March 2021 to June 2021, Mr. Li served as an independent non-executive director of Evershine Group Holdings Limited, a company principally engaged in trading, property development and investment, money lending, mobile application, and cemetery businesses and whose shares were previously listed on the GEM of the Stock Exchange (stock code: 8022) and subsequently delisted in October 2022, where he was primarily responsible for supervising and providing independent advice to the board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Li is an existing Council Member to the Hong Kong Institute of Certified Public Accountants (香港會計師公會) and a founding member of the Hong Kong Professional Investors Association (香港專業投資者協會).

Mr. Li obtained his bachelor’s degree in business administration from the City University of Hong Kong in November 2002. He also obtained a master of science degree in professional accountancy from the University of London in the United Kingdom in August 2017. He further obtained a master of law degree from King’s College London in the United Kingdom in April 2020. He has been a member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants since July 2006 and March 2006, respectively. Mr. Li also obtained professional qualifications in valuation and surveying from The International Association of Certified Valuation Specialists, Canada since May 2016.

SUPERVISORS

In accordance with the PRC Company Law, all joint stock companies are required to establish a supervisory committee, which is responsible for supervising the board and senior management of a company on the fulfilment of their respective duties, as well as the financial performance, internal control management and risk management of the corporation. Our Supervisory Committee consists of three members comprising one Supervisor representing employees and two Supervisors representing Shareholders.

The table below sets out certain information regarding our Supervisors:

Name	Age	Existing position(s) in our Group	Time of joining our Group	Date of appointment as Supervisor	Principal responsibilities	Relationship with Directors, Supervisors and other senior management
Mr. Gao Qi (高奇)	33	Chairperson of our Supervisory Committee	February 2011	April 2023	Presiding over the work of our Supervisory Committee and supervising the operating and financial activities of our Company	None
Mr. Yu Gang (余綱)	51	Supervisor Director of Beijing Sidike	August 2017	August 2017	Supervising the operating and financial activities of our Company	None
Ms. Ren Yuan (任園)	49	Supervisor	February 2014	February 2014	Supervising the operating and financial activities of our Company	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Gao Qi (高奇), aged 33, was appointed as our design manager in February 2011, and was appointed as our Supervisor representing employees and chairman of our Supervisory Committee in April 2023. He is primarily responsible for presiding over the work of our Supervisory Committee and supervising the operating and financial activities of our Company.

Mr. Gao had previously served as a legal representative of Shanghai Qiongjin Architectural Design Consulting Center (上海瓊瑾建築設計諮詢中心) (“**Shanghai Qiongjin**”) from March 2019 to October 2021, a company principally engaged in the provision of architectural design consulting services and information consulting services in the PRC. Shanghai Qiongjin was dissolved on October 12, 2021 as a result of cessation of business. Mr. Gao confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with the dissolution of Shanghai Qiongjin; (ii) there is no outstanding claim or liability against him in connection with the dissolution of Shanghai Qiongjin; and (iii) Shanghai Qiongjin was solvent at the time of its dissolution.

Mr. Gao obtained his associate degree in entertainment software design from Suzhou Art & Design Technology Institute (蘇州工藝美術職業技術學院) in the PRC in June 2011.

Mr. Yu Gang (余鋼), aged 51, was appointed as our Supervisor representing Shareholders in August 2017 and he is primarily responsible for supervising the operating and financial activities of our Company. He is also the director of our subsidiary Beijing Sidike.

The major work experience of Mr. Yu are as follows:

<u>Name of company</u>	<u>Service period</u>	<u>Position</u>	<u>Primary responsibilities</u>	<u>Principal activities of the company</u>
Jiangsu Sugaoxin Venture Capital Co., Ltd. (江蘇省蘇高新風險投資股份有限公司)	From March 2000 to September 2000	Project manager	Sourcing, due diligence and execution of projects	Investment with focus on science and technology innovation and development of small and medium enterprises in Suzhou High-Tech Development Zone
Shanghai Zhangjiang Venture Capital Co., Ltd. (上海張江創業投資有限公司)	From September 2000 to June 2003	Senior manager	Sourcing, due diligence and execution of projects	Investment with focus on information technology, biotechnology and new material sectors in the PRC

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of company	Service period	Position	Primary responsibilities	Principal activities of the company
China-Singapore Ventures	From November 2007 to March 2014	Deputy general manager	Managing the business development of Suzhou Industrial Park Yuandian Venture Capital Investment Co., Ltd. (蘇州工業園區原點創業投資有限公司) (“ Yuandian Venture Capital ”)	Investment with focus on high-tech enterprises at the start-up and growth stages
Yuandian Venture Capital	From March 2008 to March 2014	Manager	Overall business development including project sourcing, due diligence, decision-making and post-investment management	Venture capital investment in the PRC
Tahoe Venture Capital	From June 2014 to current	Executive partner	Fund raising, project investment and post-investment management	Management of venture capital companies and provision of related consulting services
Suzhou Tahoe Taihe Investment Management Co., Ltd. (蘇州太浩太合投資管理有限公司)	From May 2018 to current	Executive director	Overall project investment and project management	Provision of investment management services in the PRC
Suzhou Digital-Health Care Co., Ltd. (蘇州迪凱爾醫療科技有限公司)	From June 2020 to current	Director	Overall management and business operation	Provision and operation of medical devices
Suzhou Keda Technology Co., Ltd. (蘇州科達科技股份有限公司) (Shanghai Stock Exchange stock code: 603660)	From September 2021 to current	Independent director	Supervising and providing independent advice to the board	R&D and provision of network communication equipment and software

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of company	Service period	Position	Primary responsibilities	Principal activities of the company
Suzhou Jingyu Medical Equipment Co., Ltd. (蘇州景昱醫療器械有限公司)	From January 2022 to current	Supervisor	Supervising business operation	R&D and export and import of medical devices and other related electronic products
Suzhou Mitu Optoelectronic Technology Co., Ltd. (蘇州芊圖光電技術有限公司)	From March 2022 to current	Supervisor	Supervising business operation	R&D and sales of optoelectronic chips

Mr. Yu obtained his bachelor’s degree in industrial electrical automation and master’s degree in accounting from the China University of Mining and Technology (中國礦業大學) in the PRC in July 1994 and June 1999, respectively.

Mr. Yu had various roles in certain dissolved or revoked companies, details of which are set out below:

Name of company	Position	Place of establishment	Nature of business pursuant to the business license	Reason for dissolution or revocation	Date of dissolution or revocation
Shanghai Suding Biotechnology Co., Ltd. (上海蘇鼎生物技術有限公司)	Supervisor	PRC	Research and development of biotechnology	Cessation of business	June 23, 2005
Shanghai Daozheng Investment Management Consulting Co., Ltd. (上海道正投資管理諮詢有限公司) (“Shanghai Daozheng”)	Executive director and legal representative	PRC	Provision of investment management services in the PRC	Revocation of business license due to the fact that Shanghai Daozheng was not engaging in any business activities for more than six months prior to the date of the revocation	April 5, 2007

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of company	Position	Place of establishment	Nature of business pursuant to the business license	Reason for dissolution or revocation	Date of dissolution or revocation
Shanghai Xiangzheng Investment Management Consulting Co., Ltd. (上海祥正投資管理諮詢有限公司)	Executive director and legal representative	PRC	Provision of investment consulting, corporate management consulting and enterprise marketing planning services	Cessation of business	August 3, 2012
Shanghai Jiexiang Architectural Design Co., Ltd. (上海佳翔建築設計有限公司)	Executive director and legal representative	PRC	Provision of architectural, landscape and interior design services	Cessation of business	August 3, 2012
Suzhou Hengyu Tahoe Venture Capital Management Co., Ltd. (蘇州恆宇太浩創業投資管理有限公司)	Executive director and legal representative	PRC	Venture capital investment in the PRC	Cessation of business	September 14, 2022

Mr. Yu confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with the dissolution or revocation of the above companies; (ii) there is no outstanding claim or liability against him in connection with the dissolution or revocation of the above companies; and (iii) the above companies were solvent at the time of their respective dissolution or revocation. Mr. Yu confirmed that since the revocation of Shanghai Daozheng and as of the Latest Practicable Date, Shanghai Daozheng has not carried out any business activities and, so far as he was aware, the revocation of the business licenses of Shanghai Daozheng has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against Shanghai Daozheng.

As of the Latest Practicable Date, Mr. Yu was interested in an aggregate of approximately 2.87% equity interest of our Company through his indirect interest in Tahoe Growth, Tahoe Lande and Tahoe Growth II. See “History, Development and Corporate Structure – [REDACTED] Investments” and “Appendix VII – Statutory and General Information – Further Information About Our Directors, Supervisors and Substantial Shareholders” for details.

Ms. Ren Yuan (任園), aged 49, was appointed as our Supervisor representing Shareholders in February 2014. She is primarily responsible for supervising our Company’s operating and financial activities.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Company, from April 2010 to May 2019, she served as a project manager of Beijing Innovation Lezhi Information Technology Co., Ltd. (北京創新樂知信息技術有限公司), a company principally engaged in the provision of information technology services in the PRC, where she was primarily responsible for overall project management including decision-making, project coordination and implementation, cost management and post-completion reviews. Since April 2012, Ms. Ren served as a supervisor of Beijing Weiming Interactive Information Technology Co., Ltd. (北京微明互動信息技術有限公司), a company principally engaged in the provision of information technology services, where she was primarily responsible for the supervisory role. Since June 2019, she has been serving as a project manager of Beijing Innovation Lezhi Network Technology Co., Ltd. (北京創新樂知網路技術有限公司), a company principally engaged in the provision of network technology services in the PRC, where she is primarily responsible for overall project management including decision-making, project coordination and implementation, cost management and post-completion reviews. Since September 2019, Ms. Ren was the supervisor of Beijing Jike Shejian Technology Service Co., Ltd. (北京極客舌尖技術服務有限公司), a company principally engaged in the provision of technology services in the PRC, where she is primarily responsible for the supervising role.

Ms. Ren obtained her bachelor’s degree in accounting from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in July 2000.

Ms. Ren had various roles in certain dissolved companies, details of which are set out below:

Name of company	Position	Place of establishment	Nature of business pursuant to the business license	Reason for dissolution	Date of dissolution
Beijing Aiweisheng Education Technology Co., Ltd. (北京艾唯勝教育科技有限公司)	Supervisor	PRC	Promotion of internet activities and provision of online retail services	Members’ resolutions	April 2019
Tianjin Letang Enterprise Management Consulting Partnership (Limited Partnership) (天津樂棠企業管理諮詢合夥企業(有限合夥))	Managing partner	PRC	Provision of enterprise management consulting and information consulting services in the PRC	Members’ resolutions	November 24, 2022

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Ren confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on her part in connection with these dissolved companies; (ii) there is no outstanding claim or liability against her in connection with these dissolved companies; and (iii) these companies were solvent at the time of their respective dissolution.

As of the Latest Practicable Date, Ms. Ren was one of our [REDACTED] Investor and interested in approximately 1.39% equity interest of our Company. See “History, Development and Corporate Structure – [REDACTED] Investments” and “Appendix VII – Statutory and General Information – Further Information About Our Directors, Supervisors and Substantial Shareholders” for details.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SUPERVISORS

Save as disclosed above and in this document, each of our Directors and Supervisors has confirmed with respect to himself/herself that he/she (i) did not hold other long positions or short positions in the shares, underlying shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (ii) had no other relationship with any Directors, Supervisors, senior management, substantial Shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date; (iii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (iv) there are no other matters concerning our Directors’ and Supervisors’ appointments that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

SENIOR MANAGEMENT

Our executive Directors and senior management are responsible for the day-to-day operation and management of our business.

The table below sets out certain information regarding our senior management. For information concerning our senior management who also serve as executive Directors, see the paragraph headed “Board of Directors – Executive Directors” in this section above.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Existing position(s) in our Group	Time of joining our Group	Date of appointment as senior management	Principal responsibilities	Relationship with Directors, Supervisors and other senior management
Mr. Zuo Lei (左磊)	38	Chairman of our Board, chief executive officer and executive Director of our Company Chairman and director of Beijing Sidike Chairman and director of Zhonghui Juhe Director, general manager and head of finance of Wuhan Jushunhe Director and manager of Juli Wanhe	February 2010	February 2010	Overseeing day-to-day operations and overall business strategy and planning of our Group and overseeing our Board	None
Ms. Yang Yanjun (楊彥君)	37	Executive Director, deputy general manager, secretary to the Board and joint company secretary of our Company	July 2018	July 2018	Handling day-to-day affairs of our Board, assisting our Board in legal compliance matters and handling public relations of our Group	None
Mr. Shao Chuangye (邵創業)	40	Chief financial officer of our Company	January 2020	January 2020	Overseeing our Group's finance and accounting matters	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Existing position(s) in our Group	Time of joining our Group	Date of appointment as senior management	Principal responsibilities	Relationship with Directors, Supervisors and other senior management
Mr. Shao Lida (邵利達)	44	Deputy general manager of our Company	November 2015	June 2019	Overseeing our Group’s API standardization sales business and managing our product planning	None
Mr. Wei Zheng (魏徵)	39	Deputy general manager of our Company Director and general manager of Tianju Renhe Director of Tianju Xinghe	March 2019	June 2019	Managing our business department and formulating our market strategy	None
Mr. Han Jianfeng (韓劍鋒)	41	Deputy general manager of our Company	June 2019	June 2019	Formulating the strategies of our Group’s products and technologies	None
Mr. Dong Chuanzu (董傳族)	34	Deputy general manager of our Company	April 2011	January 2020	Managing our Group’s R&D teams, cost control and product improvement	None
Mr. Wang Lei (王雷)	44	Deputy general manager of our Company	June 2021	June 2021	Overseeing the operation of the government sector business team and business expansion of our Group	None
Ms. Ji Shilin (冀士琳)	35	Deputy general manager of our Company	July 2017	April 2023	Overseeing the human resources management of our Group	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zuo Lei (左磊), see “Board of Directors – Executive Directors” for details.

Ms. Yang Yanjun (楊彥君), see “Board of Directors – Executive Directors” for details.

Mr. Shao Chuangye (邵創業), aged 40, was appointed as our chief financial officer in January 2020. Mr. Shao is primarily responsible for overseeing our Group’s finance and accounting matters.

Mr. Shao has over 17 years of experience in finance and taxation. Prior to joining our Company, from July 2006 to June 2007, he served as an audit assistant in Suzhou Jinding Certified Public Accountants Co., Ltd. (蘇州金鼎會計師事務所有限公司), a company principally engaged in the provision of auditing and accounting services in the PRC, where he was primarily responsible for providing audit services. From July 2007 to August 2009, he served as a manager in Qisda Corporation (蘇州佳世達電通有限公司), a company with principal business in information technology industry, medical business, smart solutions and network communication business, where he was primarily responsible for providing accounting service. From September 2009 to October 2019, Mr. Shao successively served in various roles and last served as a finance director of Suzhou Snail Digital Technology Co., Ltd. (蘇州蝸牛數字科技股份有限公司), an integrated internet company based on virtual digital technology with principal business in R&D, content development and platform operation in the PRC, where he was primarily responsible for handling corporate finance works.

Mr. Shao obtained a bachelor’s degree in economics from Soochow University (蘇州大學) in the PRC in June 2006.

Mr. Shao Lida (邵利達) (formerly known as Shao Lida (邵麗達)), aged 44, was appointed as our pre-sales consultant in November 2015 and subsequently served as our sales director. In June 2019, he was promoted to our deputy general manager. He is primarily responsible for overseeing our Group’s API standardization sales business and managing our product planning.

Mr. Shao has over 17 years of experience in telecommunications and internet data industry. Prior to joining our Company, from June 2009 to December 2012, Mr. Shao served as a network optimization engineer of Shanghai Posts & Telecommunications Designing Consulting Institute Co., Ltd. (上海郵電設計諮詢研究院有限公司), a company principally engaged in engineering design and information technology development in the PRC, where he was primarily responsible for network optimization. From June 2015 to November 2015, Mr. Shao served as a sales representative of Suzhon Yida Feixiang Information Technology Co., Ltd. (蘇州億達飛翔信息科技有限公司), a company principally engaged in the provision of software and information technology services in the PRC, where he was primarily responsible for sales and account management.

Mr. Shao completed his self-taught higher education examinations (junior college) qualification in computer application offered by Nanjing University (南京大學) in the PRC in June 1999.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wei Zheng (魏徵), aged 39, was appointed as a deputy director of our fundamental business unit in March 2019 and was promoted to deputy general manager in June 2019. He is primarily responsible for managing our business department and formulating our market strategy. He is also the director and general manager of our subsidiary Tianju Renhe and the director of our subsidiary Tianju Xinghe.

Mr. Wei has over 13 years of experience in communication industry which includes 10 years of work experience in the internet industry. Prior to joining our Company, from June 2010 to February 2013, Mr. Wei served as a product director of the communication subdivision of PCI Technology Group Co., Ltd. (佳都科技集團股份有限公司), a company principally engaged in the provision of artificial intelligence services and products in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 600728), where he was primarily responsible for handling pre-sales work, providing customized products and solutions, upgrading the existing products platform and cooperating with major customers to build the cloud platform. From March 2013 to March 2019, Mr. Wei served as a general manager of the top-up division of Beijing Gaoyang Jiexun Information Technology Co., Ltd. (北京高陽捷迅信息技術有限公司), a company principally engaged in the provision of information technology products in the PRC, where he was primarily responsible for managing the top-up division.

Mr. Wei had previously served as a legal representative and executive director of Tianju Daohe (our subsidiary before its dissolution), a company principally engaged in the provision of top-up services in the PRC. Tianju Daohe was dissolved on April 17, 2023 as a result of cessation of business. Mr. Wei confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with the dissolution of Tianju Daohe; (ii) there is no outstanding claim or liability against him in connection with the dissolution of Tianju Daohe; and (iii) Tianju Daohe was solvent at the time of its dissolution.

Mr. Wei obtained a bachelor’s degree in business administration from Beijing Jiaotong University (北京交通大學) through distance learning in July 2010.

Mr. Han Jianfeng (韓劍鋒), aged 41, has been serving as our deputy general manager and technical director of our R&D center since June 2019. Mr. Han is primarily responsible for formulating the strategies of our Group’s products and technologies.

Mr. Han has over ten years of experience in software development focusing on big data, artificial intelligence and blockchain. Prior to joining our Company, from April 2013 to February 2014, he served as a R&D director of Suzhou Youwen Software Technology Co., Ltd. (蘇州優問軟件技術有限公司), a company principally engaged in the R&D of intelligent semantic technology and provision of software products in the PRC, where he was primarily responsible for R&D. From March 2014 to April 2019, he served as a project director of mobility security business unit of Jiangsu Tongfudun Technology Co., Ltd. (江蘇通付盾科技有限公司), a company principally engaged in the provision of blockchain solutions, smart contract audit and management services and data analysis services in the PRC, where he was primarily responsible for project management.

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Mr. Han obtained a bachelor’s degree in computer science and technology from the People’s Liberation Army Strategic Support Force Information Engineering University (中國人民解放軍戰略支援部隊信息工程大學) in the PRC in July 2003.

Mr. Dong Chuanzu (董傳族), aged 34, joined our Company since April 2011 and served in various roles including development engineer, project manager, technical director of our R&D center and chairperson of our Supervisory Committee. He was promoted to deputy general manager in January 2020. Mr. Dong is primarily responsible for managing our Group’s R&D teams, cost control and product improvement. Mr. Dong has over 12 years of experience in computer software development.

Mr. Dong obtained an associate’s degree in computer network technology from Zhejiang University of Water Resources and Electric Power (浙江水利水電學院) (formerly known as Zhejiang Institute of Water Resources and Electric Power (浙江水利水電專科學院)) in the PRC in June 2009.

Mr. Wang Lei (王雷), aged 44, was appointed as our deputy general manager in June 2021. Mr. Wang is primarily responsible for overseeing the operation of the government sector business team and business expansion of our Group.

Mr. Wang has over 12 years of experience in R&D of software systems. Prior to joining our Company, from April 2011 to June 2017, Mr. Wang served as a project manager of Founder International Co., Ltd. (方正國際軟件有限公司), a company principally engaged in the development of application software and provision of IT system integration services, where he was primarily responsible for overall project management, and subsequently became a technician for its smart city public affairs department. From July 2017 to June 2021, he served as a project deputy general manager of GAEA Information Technology Co., Ltd. (蘇州數字地圖信息科技股份有限公司), a company principally engaged in the provision of geographic information technology products and services in the PRC and whose shares are listed on the NEEQ (stock code: 835256), where he was primarily responsible for overall project management, internal management team development and key customer maintenance.

Mr. Wang obtained a bachelor’s degree in applied electronics technology from Anhui Normal University (安徽師範大學) in the PRC in July 2001. He further obtained a master’s degree in business administration from Xiamen University (廈門大學) in the PRC in September 2016.

Ms. Ji Shilin (冀士琳), aged 35, has previously served in various roles in our Company since July 2017, including assistant to president, head of marketing and chairlady of our Supervisory Committee. Since January 2021, Ms. Ji has been serving as the head of human resources of our Company. In April 2023, she was promoted as the deputy general manager of our Company and is responsible for overseeing the human resources management of our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Company, from September 2014 to February 2017, she successively served as the president assistant deputy director of the management center of Speed and Technology Co., Ltd. (速度科技股份有限公司), a company principally engaged in the development and sales of software products and data services, where she was primarily responsible for administrative affairs, business expansion and human resources management.

Ms. Ji obtained a bachelor’s degree in forest study from Huangshan University (黃山學院) in July 2011. She further obtained a master’s degree in forest protection from Nanjing Forestry University (南京林業大學) in June 2014 and is currently enrolled in the master’s degree in applied psychology of Renmin University of China (中國人民大學). She has obtained the qualification of Human Resource Management Professional (人力資源管理師) accredited by the Ministry of Human Resources and Social Security of the PRC in November 2022.

JOINT COMPANY SECRETARIES

Ms. Yang Yanjun (楊彥君) was appointed as our joint company secretary in August 2023. For further biographic details of Ms. Yang, see “— Board of Directors — Executive Directors” in this section.

Ms. Ching Shuk Wah Shirley (程淑華), was appointed as our joint company secretary in August 2023.

Ms. Ching has over 25 years of experience in corporate secretarial services, administration and management, international trade and trade financing. She joined SWCS Corporate Services Group (Hong Kong) Limited (“SWCS”), a corporate service provider in Hong Kong established in 2011 and is currently an assistant manager to the company secretary services department of SWCS, where she is responsible for assisting in the provision of company secretarial services.

Ms. Ching obtained a bachelor’s degree in business administration from the University of Western Sydney and further obtained a master’s degree in corporate governance from the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Ching is not an employee of our Company but will coordinate with Ms. Yang, our other joint company secretary, in discharging their duties as the joint company secretaries of our Company.

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BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Company's activities.

Audit Committee

We have established our Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules.

The primary duties of our Audit Committee are to review and supervise our financial reporting process, internal control system, risk management and internal audit of our Company; provide advice and comments to our Board; and perform other duties and responsibilities as may be assigned by our Board. Our Audit Committee consists of three members, namely Mr. Li Shun Fai, Mr. Qiu Jianqiang and Mr. Chen Xinhe. The chairperson of our Audit Committee is Mr. Li Shun Fai, who is our independent non-executive Director with appropriate professional qualifications.

Remuneration and Assessment Committee

We have established our Remuneration and Assessment Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code as set out in Appendix C1 of the Listing Rules.

The primary duties of our Remuneration and Assessment Committee are to establish, review and provide advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; make recommendations to our Board on the terms of the specific remuneration package of each executive Director and senior management; and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time-to-time. Our Remuneration and Assessment Committee consists of three members, namely Mr. Huang Xuexian, Mr. Chen Xinhe and Ms. Yang Yanjun. The chairperson of our Remuneration and Assessment Committee is Mr. Huang Xuexian, who is our independent non-executive Director.

Nomination Committee

We have established our Nomination Committee with written terms of reference in compliance with the CG Code as set out in Appendix C1 of the Listing Rules.

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The primary duties of our Nomination Committee are to review the structure, size and composition of our Board on a regular basis and make recommendations to our Board regarding any proposed changes to the composition of our Board; identify, select or make recommendations to our Board on the selection of individuals nominated for directorships; ensure the diversity of our Board members; assess the independence of our independent non-executive Directors; and make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors. Our Nomination Committee consists of three members, namely Mr. Chen Xinhe, Mr. Li Shun Fai and Mr. Lin Shan. The chairperson of our Nomination Committee is Mr. Chen Xinhe, who is our independent non-executive Director.

CORPORATE GOVERNANCE

We aim to achieve high standards of corporate governance which are crucial to our development and the safeguard of the interests of our Shareholders. Pursuant to provision C.2.1 of the CG Code as set out in Appendix C1 to the Listing Rules, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zuo is the chairman of the Board and the chief executive officer of our Company. In view of the fact that Mr. Zuo has been responsible for the overall strategic planning and day-to-day management of our Group since its establishment, our Board believes that with the support of Mr. Zuo’s extensive experience and knowledge in the big data industry and our business, vesting the roles of both chairman and chief executive officer in Mr. Zuo strengthens the consistent and solid corporate vision of our Group and promotes efficient business planning and decision. Our Board is also of the view that the current management structure is effective for our operation and sufficient checks and balances are in place. Our Board currently comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. Our Board will continue to review the effectiveness of the corporate governance structure of our Company in order to assess whether separation of the roles of chairman of our Board and chief executive officer is necessary.

Save as disclosed above, we expect to comply with the CG Code set out in Appendix C1 to the Listing Rules after the [REDACTED].

Board Diversity Policy

We have adopted a Board Diversity Policy which sets out the approach to achieve and maintain diversity in our Board which includes the criteria in selecting candidates to our Board in order to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, gender, age, cultural and education background, ethnicity, professional qualifications, skills, knowledge, industry experience and length of service. We will select

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board. Our Board is of the view that our Board has achieved the board diversity requirement in our Board Diversity Policy.

Our Board has a balanced mix of knowledge, skills and experience, including but without limitation to technology, big data, accounting, finance, corporate finance and legal industries. Our Directors obtained degrees in various majors including accounting, laws, business administration, computer science and engineering and from universities in mainland China, Hong Kong and overseas. We believe they can contribute different knowledge, skills and industry experience. We have three independent non-executive Directors from different industry backgrounds, including law, big data and accounting and finance. Furthermore, our Directors are of a wide range of age, from 37 to 60 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. Our Board currently comprises one female Director and eight male Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board should take gender diversity into consideration when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the expectations of stakeholders and international and local recommended best practices.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [REDACTED], our Nomination Committee will review our board diversity policy and its implementation from time to time to monitor its continued effectiveness, assess the composition of our Board and make recommendations to our Board on appointment of members of our Board. We will also disclose a summary of our Board Diversity Policy, including any measurable objectives set for implementation and the progress on achieving these objectives, in our corporate governance report on an annual basis.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2023, and (ii) understands his/her obligations as a director of a listed issuer under the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

DIRECTORS’, SUPERVISORS’ AND SENIOR MANAGEMENT’S REMUNERATION

We offer our Directors, Supervisors and senior management, who are also employees of our Company, emolument in the form of fees, salaries, allowance and other benefits, discretionary bonus, contribution to retirement scheme and equity-settled share-based payments (as the case may be). The independent non-executive Directors receive emolument based on their respective duties and responsibilities (including being members or chairperson of Board committees).

The aggregate remuneration (including fees, salaries, allowance and other benefits, discretionary bonus, contribution to retirement scheme and equity-settled share-based payments (as the case may be)) paid to our Directors and Supervisors for the three years ended December 31, 2021, 2022 and 2023 was approximately RMB2,306,000, RMB2,472,000 and RMB2,529,000, respectively. None of our Directors and Supervisors had waived or agreed to waive any remuneration during the Track Record Period. Save as disclosed above, no other payments have been paid or are payable by our Company to our Directors and Supervisors during the Track Record Period.

The number of our Company’s five highest paid individuals for the three years ended December 31, 2021, 2022 and 2023 included three, four and five employees who were not Directors and supervisors, respectively. The aggregate remuneration (including salaries, allowance and other benefits, discretionary bonus, contribution to retirement scheme and equity-settled share-based payments) payable to such individuals (excluding any of our Directors and Supervisors) for the three years ended December 31, 2021, 2022 and 2023 was approximately RMB2,143,000, RMB3,138,000 and RMB3,735,000, respectively.

For the three years ended December 31, 2021, 2022 and 2023, no remuneration was paid by us to our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company, and save as required by relevant laws and regulations, no compensation was made by us to our Directors for the loss of office for the three years ended December 31, 2021, 2022 and 2023.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed above, no other payments had been made, or are payable, by any member of our Company to our Directors and Supervisors during the Track Record Period. For additional information on our Directors and Supervisors' remuneration during the Track Record Period as well as information on the five highest paid individuals, see Note 14 to the Accountants' Report in Appendix I.

Pursuant to the existing arrangements that are currently in force as of the date of this document, the amount of remuneration (including benefits in kind but excluding discretionary bonuses) payable to our Directors and Supervisors by our Company for the year ending December 31, 2024 is estimated to be approximately RMB2.7 million in aggregate.

Our Board will review and determine the remuneration and compensation packages of our Directors, Supervisors and senior management and will, following the [REDACTED], receive recommendation from our Remuneration and Assessment Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors, Supervisors and senior management and performance of our Group.

COMPLIANCE ADVISOR

Our Company has appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The material terms of the Compliance Advisor's agreement entered into between our Company and the Compliance Advisor are as follows:

- (i) the Compliance Advisor shall provide our Company with services including guidance and advice as to compliance with the requirement of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Stock Exchange;
- (ii) our Company may terminate the appointment of the Compliance Advisor by giving a prior written notice of no less than 30 days to the Compliance Advisor. Our Company will exercise such right in compliance with Rule 3A.26 of the Listing Rules. The Compliance Advisor will have the right to terminate its appointment as Compliance Advisor under certain specific circumstances; and
- (iii) during the period of appointment, our Company must consult with, and if necessary, seek advice from the Compliance Advisor on a timely basis in the following circumstances:
 - (a) before the publication of any regulatory announcement, circular or financial report;
 - (b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated, including share issues and share repurchases;

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- (c) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our H Shares under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the [REDACTED] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED].

COMPETITION

Save as otherwise disclosed in this document, none of our Directors has any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

From time to time, our non-executive Directors may serve on the boards of both private and public companies within the broader information technology industry. However, as these non-executive Directors are neither our Controlling Shareholders nor members of our executive management team, we believe that their interests in such companies as directors would not render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED], the following persons will have, or be deemed, or taken to have an interest and/or short position in the H Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date			Shares held immediately following the completion of the [REDACTED]		
		Type of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company	Type of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Zuo	Beneficial interest	Unlisted Shares	19,744,192	43.59%	H Shares	[REDACTED]	[REDACTED]
	Interest of spouse ⁽²⁾	Unlisted Shares	69,042	0.15%	H Shares	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽³⁾	Unlisted Shares	4,345,711	9.59%	H Shares	[REDACTED]	[REDACTED]
Ms. Hua	Beneficial interest	Unlisted Shares	69,042	0.15%	H Shares	[REDACTED]	[REDACTED]
	Interest of spouse ⁽²⁾	Unlisted Shares	24,089,903	53.18%	H Shares	[REDACTED]	[REDACTED]
JD Technology	Beneficial interest ⁽⁴⁾	Unlisted Shares	7,463,958	16.48%	H Shares	[REDACTED]	[REDACTED]
Mr. Richard Liu	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	7,463,958	16.48%	H Shares	[REDACTED]	[REDACTED]
Mr. Qiu	Beneficial interest	Unlisted Shares	4,037,978	8.91%	H Shares	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) Mr. Zuo and Ms. Hua are spouses. Accordingly, they are deemed to be interested in the same number of Shares that the other person is interested in for the purpose of the SFO.
- (3) As of the Latest Practicable Date, Yiju Liuhe was owned as to 99.00% by Mr. Zuo as its sole general partner where Yiju Liuhe was interested in 3,512,401 Shares. Accordingly, Mr. Zuo is deemed to be interested in the Shares held by Yiju Liuhe. As of the Latest Practicable Date, Liuju Liuhe was owned as to 69.75% by Mr. Zuo as its sole general partner where Liuju Liuhe was interested in 833,310 Shares. Accordingly, Mr. Zuo is deemed to be interested in the Shares held by Liuju Liuhe.
- (4) As of the Latest Practicable Date, JD Technology was a majority-controlled company (as defined in the Listing Rules) of Mr. Richard Liu where Mr. Richard Liu was entitled to exercise majority control over JD Technology through his direct and indirect interest in JD Technology. Accordingly, Mr. Richard Liu is deemed to be interested in the Shares held by JD Technology.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein above, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED], have an interest or short position in the H Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

We are not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered share capital was RMB45,300,000, divided into 45,300,000 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

The share capital of our Company immediately after completion of the [REDACTED] and conversion of Unlisted Shares into H Shares will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of total share capital</u>
H Shares to be converted from Unlisted Shares.	[REDACTED]	[REDACTED]
H Shares [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

The above table assumes that the [REDACTED] has become unconditional and the H Shares are [REDACTED] pursuant to the [REDACTED].

CONVERSION OF UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

RANKING

Upon completion of the [REDACTED] and the Conversion, we would have only one class of Shares, being the H Shares. Our H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. Our Unlisted Shares and H Shares will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

[REDACTED] Review and Approval by the CSRC

In accordance with the Overseas [REDACTED] Trial Measures and five relevant guidelines announced by the CSRC, for a domestic company directly [REDACTED] and [REDACTED] overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares [REDACTED] and [REDACTED] on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

SHARE CAPITAL

Our Company applied for a “Full Circulation” filing when applying for an overseas [REDACTED] filing with the CSRC on August 30, 2023, and submitted the filing reports, authorization documents of the shareholders of Unlisted Shares for which a H-share “Full Circulation” was applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. The CSRC has accepted our Company’s application for filing on September 5, 2023. Our Company has received the reply from the CSRC dated November 28, 2023, in relation to the filing notice of the overseas [REDACTED] and “Full Circulation”.

[REDACTED] Approval by the Stock Exchange

Our Company has applied to the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED] in, our H Shares to be [REDACTED] pursuant to the [REDACTED] and the H Shares to be converted from [45,300,000] Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange. We will perform the following procedures for the conversion of the Unlisted Shares into H Shares after receiving the approval of the Stock Exchange; (i) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas [REDACTED] Shares of Companies [REDACTED] on an Overseas Stock Exchange (《關於境外[REDACTED]非境外[REDACTED]股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas [REDACTED] company is required to register its shares that are not [REDACTED] on an overseas stock exchange with the China Securities Depository and Clearing Corporation Limited within 15 business days upon [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of its non-overseas [REDACTED] shares as well as the current [REDACTED] and [REDACTED] of the H shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which the Shareholders’ general meeting is required, see “Appendix VI – Summary of the Articles of Association”.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders’ general meeting held on August 4, 2023.

SHARE CAPITAL

LOCK-UP PERIODS

In accordance with the PRC Company Law, the shares [REDACTED] prior to any public [REDACTED] of shares by a company cannot be transferred within one year from the date on which such publicly [REDACTED] shares are [REDACTED] and [REDACTED] on the relevant stock exchange. As such, the Unlisted Shares [REDACTED] by our Company prior to the [REDACTED] of H Shares (including shares held by our [REDACTED] Investors) will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors, Supervisors and members of the senior management (as defined in our Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the H Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. Our Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, Supervisors, members of senior management of our Company and other Shareholders. For further details, see “Summary of Articles of Association” in Appendix VI to this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with the consolidated financial statements, including the notes thereto included in the Accountants’ Report in Appendix I to this document and the selected historical financial information presented elsewhere into this document. Our consolidated financial statements were prepared in accordance with IFRSs.

This discussion of our financial condition and results of operations contains forward-looking statements which, although based on the assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results are based on the assumptions about our business and may differ materially from those anticipated in the forward-looking statements as a result of certain factors, including those set out in the sections entitled “Forward-Looking Statements”, “Risk Factors” and elsewhere. In addition, certain industry issues also affect our financial condition and results of operations, as described in “Industry Overview”.

OVERVIEW

We are an integrated API-enabled data exchange service provider in China. We provide standard API services and customized data management solutions to internet companies, telecommunications operators, technology companies and other business and government organizations as well as app developers and technology professionals. The integrated API-enabled data exchange service market and the industry-specific API-enabled data exchange service market together comprise the overall API-enabled data exchange service market, which itself is part of the API-enabled service market.

Application Programming Interface, commonly known as API, is a set of protocols that allows disconnected applications to communicate with each other. A common example of how APIs work is when a customer requests weather information on a mobile app, the app sends out a request via an API to a weather data supply source, which then processes the request, retrieves the requested information, and sends a response via the API back to the mobile app for the customer. An alternative to achieving such connectivity would have required the mobile app developer and the data supply source to work together to build a new system that connects different applications. However, such an alternative is oftentimes not viable when the connectivity requires the handling of millions of data requests from various data sources on a day-to-day basis. APIs are an accessible way to enable applications to exchange data and functionality within and across organizations. APIs can eliminate data silos and handle the exchange of large volumes of data.

We are dedicated to eliminating data silos and offering online API services that span across multiple service types and scenarios. Our API marketplace, a combination of APIs we offer, matches requests and responses and facilitates exchange of data. These services have been widely applied in various vertical industries, such as internet services, software information services, and telecommunications. Since the launch of API marketplace in June

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2011, we have developed over 770 proprietary APIs. In 2023, API marketplace handled over 120 billion API requests. Our customers include well-known enterprises such as Tencent, Alibaba, Baidu, NetEase, Meituan, China Mobile, China Unicom, China Telecom, and many other internet companies, app developers and individuals. As of December 31, 2023, API marketplace made available over 380 proprietary APIs to our customers. In 2021, 2022 and 2023, the retention rate of key customers of our API marketplace was 78.9%, 85.7% and 59.1%, respectively. The net dollar expansion rate of revenue from our API marketplace key customers in 2021, 2022 and 2023 was 136.4%, 139.1% and 217.3%, respectively.

Leveraging our integrated API-enabled data exchange capabilities, in 2020, we started to provide data management solutions, a type of customized data technology solution which comprises one or more of our products and services, including *APIMaster*, which provides lifecycle management services for APIs; *DataArts*, which is an integrated data stewardship platform that collects, cleanses and processes data to empower data; *QuickBot*, which is an RPA software designed to execute basic and repetitive tasks with a certain pattern; *SmartShield*, which is a privacy computation tool that addresses the issue of privacy protection in data exchange; and *AnchorChain*, which is a consortium blockchain tool that ensures the security of data circulation distributed ledgers.

We offer solutions that assist organizations in their digital transformation. Our customized, digitalized, and self-deployed data management solutions cater to a diverse range of customers, including those from government agencies, public utilities, manufacturing, finance, telecommunications, and various other industries. Our technologies eliminate data silos and cleanse data sets with heterogeneity, forming data that adheres to unified standards.

Benefiting from our advanced technologies and service capabilities, we have gained recognition from our customers, resulting in rapid growth in revenue. In 2021, 2022 and 2023, our total revenue was RMB260.0 million, RMB328.9 million and RMB441.1 million, respectively. We recorded a CAGR in revenue of 30.2% from 2021 to 2023. From 2021 to 2023, the CAGR of the revenue attributable to our data management solutions was 23.1%.

Recent Developments

In January 2024, we handled 140.8 million query service requests compared to 122.7 million query service requests for the same month in 2023, while our average price per request for query service increased significantly from RMB0.10 in January 2023 to RMB0.27 in January 2024. The increases in the number and average price of query service requests were mainly driven by an increase in demand from a large internet company customer for certain three-factor authentication APIs with relatively high prices, as this customer conducted identity authentication of its existing customers in preparation for Chinese New Year-related promotional activities.

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In January 2024, we handled 80.6 million SMS notice service requests compared to 213.5 million SMS notice service requests for the same month in 2023. The decrease in our number of query service requests was primarily due to a decrease in customer demand for finance and marketing-related SMS as a result of regulatory restrictions on the sending of SMS with such contents. Our average price per request for SMS notice service remained relatively stable at RMB0.03 in January 2023 and 2024.

For data management solutions, two projects were delivered and accepted in January 2024 compared to nil for the same month in 2023. The increase in our number of projects delivered and accepted was primarily due to an increase in our number of projects on hand as we gained additional customers while continuing to build our brand reputation.

Our Directors have confirmed that there has been no material adverse change in our financial and trading position or prospects since December 31, 2023, being the date to which our latest audited consolidated financial statements have been prepared, up to the date of this document.

BASIS OF PREPARATION

The Historical Financial Information has been prepared based on accounting policies set out in Note 4 of the Accountants’ Report included in Appendix I which conform with IFRSs, which includes IFRSs, International Accounting Standard (“IAS”) and the related interpretations issued by the International Accountings Standards Board (“IASB”). In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited and by the Hong Kong Companies Ordinance.

For the purpose of preparing and presenting the Historical Financial Information, all relevant standards, amendments and interpretations to the IFRSs that are effective during the Track Record Period have been adopted by us consistently throughout the Track Record Period.

The preparation of the Historical Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 5 of the Accountants’ Report.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the significant accounting policies set out in Notes of the Accountants’ Report. The Historical Financial Information is presented in Renminbi, which is the same as our functional currency.

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KEY FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

Our business and results of operations have been and are expected to be affected by certain key factors such as:

Government Policy, Industry Trends and Development

As substantially all of our assets and operations are located in China, our business and results of operations are significantly affected by China’s overall economic conditions and the development of the data-related service industry in which we operate. The PRC government has been actively promoting the development of China’s digital economy and introduced a series of favorable policies including the 14th Five-Year Plan for the Development of the Digital Economy (“十四五”數字經濟發展規劃) issued by the State Council in January 2022, which states that the government aims to have the economic value added in core digital economy industries account for 10% of national GDP by 2025. China’s digital economy experienced steady growth at a CAGR of 12.5% from 2018 to 2022, far exceeding the average annual growth rate of 7.4% for China’s overall GDP. We believe that the continued development of China’s digital economy and data-related service industries will create new business opportunities for us.

Our Ability to Compete Effectively

We operate in a highly competitive industry, and the success of our business relies significantly on our ability to compete effectively. We have been focusing on the provision of API services since our inception and have accumulated significant industry experience and knowhow. As one of the earliest API-enabled data exchange service providers, we have been able to get a head start over our competitors in building market share, brand reputation, and R&D strength. We have accumulated over ten years of valuable operational experience, established relatively strong brand awareness, and built a high-quality customer base that includes well-known companies such as Tencent, Alibaba, Baidu and NetEase. We have won multiple national-level awards and participated in the formulation of industry standards, further augmenting our market position. Our industry is still in a growing stage which is beneficial for our future development as we believe a fast-growing market translates into additional business opportunities for us. However, increased competition can materially affect our marketing and pricing abilities, in particular for our API marketplace. Our ability to compete effectively may materially affect our business, results of operations and financial condition.

Looking forward, we plan to leverage our technological advantages and utilize our market resources to deepen our cooperation with the local government, expand our customer base, and monetize our subscription services. We aim to keep abreast of the latest industry trends, continue enriching the types of data circulation, such as industrial big data, medical data, and educational data, to promote government and public data opening and sharing. We will also focus on further exploring opportunities to collaborate with the government on data opening projects.

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Our Ability to Continue Enriching and Enhancing Our Service Mix

We have a proven record of developing competitive services and solutions to meet customers’ needs. We believe that our R&D capabilities are a critical competitive advantage for us and a key factor that affects our business and long-term prospects. During the Track Record Period, we incurred R&D costs of RMB16.9 million, RMB26.3 million, and RMB24.3 million in 2021, 2022 and 2023, respectively. We plan to increase the overall efficiency of our service by researching and developing an automated operation system for data business channels that can improve the automated selection and matching of data service suppliers. In addition, we plan to continue optimizing API testing tools and platforms that can provide professional API testing services for developers. Our R&D investment aims to enrich our API marketplace ecosystem, improve customer experience, increase usage and enhance customer stickiness. For our data management solutions, we focus our R&D efforts on tailored aspects for customers of different industries and sizes. For government organizations, we concentrate our R&D efforts on effectively integrating internal government data sources and external third-party data sources, helping public sector customers increase governance efficiency. For corporate organizations, we focus our research and development on data collection and analysis, and data circulation to help private sector customers in their digital transformation process, enabling them to streamline production flow, improve operational efficiency and reduce costs.

Our ability to improve our existing services and solutions and develop new services and solutions depends on the strength of our research and development team, our abilities to apply our technologies, resolve issues, and provide services and solutions that satisfy our customers’ needs, and our investment in other relevant aspects of the industry.

Our Service Mix

Our revenue and profitability are affected by the mix in our service offerings. During the Track Record Period, our revenue from API marketplace accounted for 74.9%, 68.0% and 77.6% of our total revenue in 2021, 2022 and 2023, respectively. Our revenue from data management solutions accounted for 25.1%, 32.0% and 22.4% of our total revenue in 2021, 2022 and 2023, respectively. Our gross profit margin for API marketplace was 31.2%, 32.0% and 28.3% for 2021, 2022 and 2023, respectively. Our gross profit margin varies among different API marketplace services. For example, the gross profit margin of our query service was 35.0%, 37.1% and 31.1% in 2021, 2022 and 2023, respectively, while the gross profit margin of our SMS notice was 11.6%, 15.4% and 11.5% for the same years, respectively. Our gross profit margin for data management solutions was 44.6%, 34.2% and 28.0% for 2021, 2022 and 2023, respectively. For data management solutions, our gross profit margin varies from project to project. For example, projects with more standardized components generally have higher gross profit margins than those with more customized components as we generally incur higher labor costs and other costs to develop customized components tailored to the customers’ specific needs. For additional information, see “– Principal Components of Consolidated Statements of Profits or Loss – Gross Profit and Gross Profit Margin”. We believe our changing service offerings will continue to have an impact on our revenue and profitability.

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Our Ability to Attract and Retain Major Customers

Our ability to attract new customers, retain existing customers, and derive more revenue from existing customers has played a significant role in our past. For each of the years ended December 31, 2021, 2022 and 2023, revenue generated from our top five customers amounted to approximately RMB106.9 million, RMB143.7 million and RMB274.9 million respectively, accounting for approximately 41.1%, 43.7% and 62.3% of our total revenue for each of the years ended December 31, 2021, 2022 and 2023, respectively. In 2021, 2022 and 2023, the retention rate of our key customers of our API marketplace was 78.9%, 85.7% and 59.1%, respectively, while the net dollar expansion rate of revenue from our API marketplace key customers was 136.4%, 139.1% and 217.3%, respectively. In the future, we plan to attract more customers – that we hope will eventually become long-standing customers – by offering competitive services and solutions in response to market trends, thereby increasing customer satisfaction and stickiness.

Our ability to maintain our competitiveness and profitability depends substantially upon our relationships with our customers. We experienced customer concentration during the Track Record Period. For details on our revenue generated from our top five customers during the Track Record Period, see “Risk Factors – Risks Relating to Our Business and Industry – We experienced customer and supplier concentration during the Track Record period and may continue to be exposed to the risk of such concentration following the Track Record Period.”

Going forward, we plan to optimize our customer base by reinforcing our relationships with our customers. We also aim to continue attracting new customers of all sizes by enriching our services and solutions offerings.

Our Ability to Manage Our Costs and Expenses and Enhance Operational Efficiency

Our ability to manage and control our costs and expenses is important to the success of our business. We have continued to purchase data services, software and hardware from suppliers, invest in research and development, and increase our efforts to attract talents. As a result, we expect our costs and expenses to increase along with our revenue from API marketplace and data management solutions. Nonetheless, we are committed to improving our operational efficiency by managing our costs and expenses. While we expect our overall costs and expenses to increase as our business expands, we also expect our costs and expenses as a percentage of our total revenue to decrease as we achieve higher operational efficiency and have greater bargaining power when negotiating prices with suppliers. For example, suppliers may continue to offer us tiered pricing and related discounts when we purchase in greater quantities. For API marketplace, we expect our costs to lower as a percentage of revenue due to the favorable pricing we receive from suppliers. However, for data management solutions, our costs and expenses as a percentage of revenue may still fluctuate, depending on our investments in research and development, selling and distribution, and other items.

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Regulatory Environment

Our business and results of operations are subject to evolving regulatory environment changes. In recent years, the PRC government has promulgated a series of laws and regulations on data collection, storage, sharing, use, disclosure and protection, including the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), the PRC Data Security Law (《中華人民共和國數據安全法》), the PRC Personal Information Protection Law, and Cybersecurity Review Measures (《網絡安全審查辦法》), among others. For details, see “Regulatory Overview.” We believe that while new regulations would require us to expend more resources on compliance, overall, they would benefit the long-term development of our business and industry. An increasingly well-established regulatory framework would provide clearer legal guidelines regarding our business development and improving data security and privacy, thereby creating a safer environment that encourages more data exchanges.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may transfer over time or at a point in time. Control of the goods or service is transferred over time if our performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as we perform; or
- does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or service.

Contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices

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charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to us, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

API Marketplace

Revenue from services provided to customers includes query, SMS notice and top-up services. Revenue is recognized at the point in time when the relevant services are fulfilled. For contracts that are charged based on usage and unit price, we recognize revenue based on actual usage and agreed unit price of the current period. For sales contracts with fixed contract periods, we recognize revenue over time on a periodic basis during the contract period, with reference to the total contract amount.

Data Management Solutions

We provide an array of data management solutions for government and corporate organizations to enable them to systematically and securely digitize, manage, share and derive insights from data within and across organizations. Customers use our data management solutions to power many service types, such as data sharing among external parties, data warehouse, data governance, internal data application and data release to external parties. Revenue is recognized at a point in time when the software platform and related services are delivered to and accepted by the customer. We also provide related maintenance and upgrade services for a specific period after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognized over the service period.

Principal versus Agent Consideration in Revenue Recognition

Under IFRS 15, whether revenue should be recognized on a gross or a net basis depends on whether the entity is acting as a principal or an agent in the transaction. The principal is the entity that controls the goods or services before they are transferred to the customer, whereas the agent facilitates the transfer of goods or services between the customer and the principal.

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If the entity has control over the goods or services before they are transferred to the customer, indicators of which include the discretion to establish the price, bearing inventory risk, and being primarily responsible for fulfilling the performance obligation to the customer, then it is acting as a principal and should recognize revenue on a gross basis. The aforesaid indicators cannot individually conclude whether the entity is acting as a principal or agent in the transaction, but the assessment will be based on several indicators taken as a whole.

If the entity is an agent, instead of a principal, it should recognize revenue on a net basis, which means that the amount recognized as revenue is the commission or fee earned by the entity for facilitating the transfer of goods or services between the customer and the principal.

API marketplace – Query and SMS notice

For our query and SMS notice services, we have entered into contractual agreements with our customers to provide them with relevant query information and SMS services, and customers view us as the party primarily responsible for fulfilling the performance obligation.

We provide value-added services to our customers through our APIs, going beyond the role of a mere intermediary to facilitate the transmission of information between suppliers and customers. The customers obtain from us the requested query information and SMS services in accordance with their requirements. From the customers' point of view, it is us who provide value-added service on these query information and SMS notification services that meet their needs through suppliers selected by us from a customer-approved supplier list and the customers do not know which supplier is finally deployed; and the customers consider us to be primarily responsible for fulfilling the performance obligation. In addition:

- We retain the sole discretion to establish the price for the query information and SMS services provided to the customers. We are required to pay the suppliers a fixed price for each service used, which is not affected by the price paid by our customers. This discretion to establish prices demonstrates our ability to obtain substantially all of the remaining benefits from the query/SMS notice services, in contrast to an agent who normally charges a commission or fee as a percentage of the customer's paid price.
- We do not bear any inventory risks related to the query/SMS notice services. We only request the services from the supplier upon receiving a customer's request for query and SMS notice services. We do not commit to paying the supplier for the services until the request from the customer is received, sent to the supplier, and the result is obtained.
- During the course of providing the services, we may source information requested or SMS services required by the customers from multiple suppliers via the API marketplace, and we have the discretion in selecting suppliers from a customer-approved supplier list that meets the customer's needs to provide the requested query information and SMS services.

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Therefore, we are acting as a principal for query and SMS notice services even though we do not bear inventory risk considering the nature of the query and SMS services, and relevant revenue should be recognized on gross basis, i.e. the selling prices of the service.

API marketplace – Top-up

For the top-up service, our performance obligation is to arrange for the provision of the top-up service requested by the end-user through our customers to the relevant telecommunications operators. Although the top-up request is made through our API, to fulfill our performance obligation, we only have to pass the request order to the supplier, and the primary responsibility for successful top-up rests with the telecommunications operators for crediting the relevant top-up value to the end users. We only facilitate the transmission of this top-up request with limited involvement in the top-up request process with the customer's designated telecommunications operators. In addition:

- The revenue earned from top-up service is based on agreed fees, which are calculated as a percentage of the total top-up face value and the amount of the fee earned is low. The lack of the sole discretion to establish prices and we only earn a narrow margin instead of obtaining substantially all of the remaining benefits from the top-up service. This is consistent with the definition of revenue earned by an agent under IFRS 15, which is a commission or fee earned for facilitating a transaction between two parties.
- We do not bear any inventory risks related to top-up service being provided to the customer. As an intermediary facilitating the transmission of this top-up request between the customer and the supplier, we do not commit to pay the supplier for the services until we have received a request from the customer and sent the corresponding request to the supplier. We do not hold any inventory for top-up services.
- We do not have any discretion on selecting ultimate suppliers for customers. For example, we can only choose China Mobile for a China Mobile user's top-up; thus, we are an agent between China Mobile and the customer.

Therefore, we are acting as an agent for the top-up service, and relevant revenue should be recognized on net basis, i.e. the selling price of the service less the cost of purchase from the service provider.

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Contract Assets and Contract Liabilities

A contract asset represents our right to consideration in exchange for services that we have transferred to a customer that is not yet unconditional. In contrast, a receivable represents our unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. Contract asset is recognized when the customers retain retention money to secure the due performance of the contracts. Contract assets are assessed for ECLs in accordance with the policy set out in Note 4.10(b) to the Historical Financial Information in the Accountants' Report included in Appendix I. ECLs on contract assets are measured at an amount equal to lifetime ECLs. ECLs on contract assets are estimated using a provision matrix based on our historical credit loss experience, adjusted for factors that are specific to the customers and an assessment of both the current and forecast general economic conditions at the reporting date. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which the milestones are reached. If the considerations (including advances received from customers) exceed the revenue recognized to date, then we recognize a contract liability for the difference.

A contract liability represents our obligation to transfer services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Contract Costs

We recognize an asset from the costs incurred to fulfill a contract when those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that we can specifically identify;
- the costs generate or enhance our resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The asset recognized is subsequently amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the costs relate. The asset is subject to impairment review.

Other Income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

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Property, Plant, and Equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs such as repairs and maintenance are recognized as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their costs net of estimated residual values over their estimated useful lives on the straight-line method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold land	Over the lease term
Buildings	20-30 years
Leasehold improvements	Over shorter of lease term or 5-10 years
Motor vehicles	4 years
Furniture, fixtures and office equipment	3-10 years
Other properties leased for own use	Over the lease term

Construction-in-progress is stated at cost less any impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to the appropriate classes of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognized in profit or loss on disposal.

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Income Tax

Income taxes for the period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realized or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where we are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and we intend to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case the taxes are also recognized in other comprehensive income, or when they relate to items recognized directly in equity, in which case the taxes are also recognized directly in equity.

Fair Value Measurement of Financial Instruments

Our unlisted equity instruments and unlisted debt security are measured at fair values based on the valuation performed by an independent professional valuer with fair values being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. Further disclosures are set out in Note 20 and Note 25 to the Historical Financial Information of the Accountants' Report included in Appendix I.

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Impairment of Financial and Contract Assets

The measurement of the ECLs allowance for financial assets measured at amortized cost and contract assets is an area that requires the use of significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgments, including determining the criteria for significant increase in credit risk, are also required in applying the accounting requirements for measuring ECLs. Details about the judgments and assumptions used in measuring ECLs is set out in Note 4.10(b) and Note 39(b) to the Historical Financial Information of the Accountants’ Report included in Appendix I. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECLs to be recognized.

Policy of Provision/Write-off for Trade Receivables

We make provision for inventories based on an assessment of the net realizable value. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The table below sets forth the principal components of our consolidated statements of profit or loss for 2021, 2022 and 2023:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Revenue	260,011	328,936	441,083
Cost of sales	(170,099)	(221,382)	(316,431)
Gross profit	89,912	107,554	124,652
Other income and other gains, net	16,903	11,019	10,704
Selling and distribution expenses	(15,449)	(14,378)	(12,530)
Research and development costs	(16,875)	(26,345)	(24,250)
Administrative and other expenses	(20,490)	(32,025)	(27,518)
Impairment loss on financial and contract assets, net	(418)	(1,068)	(9,915)
Finance costs	(154)	(1)	(1,014)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Profit before tax	53,429	44,756	37,775
Income tax expense	(7,463)	(3,472)	(2,714)
Profit for the year	45,966	41,284	35,061
Profit for the year attributable to:			
Owners of the Company	46,011	41,249	34,751
Non-controlling interests	(45)	35	310
	<u>45,966</u>	<u>41,284</u>	<u>35,061</u>

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Revenue

Revenue by Service Type

During the Track Record Period, we generated revenue primarily from API marketplace, comprising query, SMS notice and top-up services, and data management solutions. The table below sets forth a breakdown of our revenue by service type for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	(RMB in thousands, except for percentages)					
API marketplace						
Query	124,467	47.9%	145,279	44.2%	271,356	61.6%
SMS notice	57,883	22.2%	70,627	21.5%	64,543	14.6%
Top-up ⁽¹⁾	12,370	4.8%	7,626	2.3%	6,170	1.4%
	194,720	74.9%	223,532	68.0%	342,069	77.6%
Data management solutions	65,291	25.1%	105,404	32.0%	99,014	22.4%
Total	260,011	100.0%	328,936	100.0%	441,083	100.0%

(1) For top-up, we recognize revenue on a net basis pursuant to IFRS 15. See “Financial Information – Significant Accounting Policies and Estimates – Principal versus Agent Consideration in Revenue Recognition”.

For API marketplace, our revenue derives from sales of query, SMS notice and top-up services. In our contracts with customers, we charge fees based on usage and unit price, or sales contract amounts over fixed contract periods. Revenue from API marketplace accounted for 74.9%, 68.0% and 77.6% of our total revenue in 2021, 2022 and 2023, respectively.

The table below sets forth a breakdown of our revenue from API marketplace by key customers and non-key customers, in absolute amounts and as a percentage of total revenue, for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	(RMB in thousands, except for percentages)					
Revenue from API marketplace						
Key customers ⁽¹⁾	151,625	77.9%	182,966	81.9%	316,695	92.6%
Non-key customers ⁽¹⁾	43,095	22.1%	40,566	18.1%	25,374	7.4%
Total	194,720	100.0%	223,532	100.0%	342,069	100.0%

(1) For the avoidance of doubt, customers were categorized based on the number of our contracting parties and were not calculated on a consolidated basis, and did not account for whether any of them controlled each other or were under common control.

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Our revenue from API marketplace derived from key customers increased by 20.7% from RMB151.6 million in 2021 to RMB183.0 million in 2022, and further increased by 73.1% to RMB316.7 million in 2023. The foregoing increases were primarily due to increased purchases from both existing and new key customers, mainly as a result of increased customer trust and reliance on our services as we continued to improve the quality of our services and deepen our collaboration with our key customers.

Our revenue derived from non-key customers of API marketplace decreased by 5.9% from RMB43.1 million in 2021 to RMB40.6 million in 2022, and further decreased by 37.5% to RMB25.4 million in 2023. The foregoing decreases were primarily due to our strategic focus on attracting and deepening our collaboration with key customers and a decrease in our number of non-key customers.

For data management solutions, our revenue derives from sales of solutions to government and corporate organizations. When charging our customers, we generally bill for the products and platform development according to payment terms agreed with customers. Platform construction fees are typically charged for the implementation of the data management platform. In certain cases, we may also charge fees for supporting operational services and consulting services based on specific customer requirements. Revenue derived from data management solutions is recognized when the data management solution and related services are delivered to and accepted by the customers. Revenue from data management solutions accounted for 25.1%, 32.0% and 22.4% of our total revenue in 2021, 2022 and 2023, respectively.

The table below sets forth a breakdown of our revenue from data management solutions by customer type, in absolute amounts and as a percentage of total revenue, for the years indicated:

	Year ended December 31,					
	2021	2022		2023		
	(RMB in thousands, except for percentages)					
Revenue from data management solutions						
Government customers ⁽¹⁾	1,087	1.7%	25,344	24.0%	7,858	7.9%
SOE customers ⁽²⁾	23,466	35.9%	40,474	38.4%	81,671	82.5%
Other customers ⁽³⁾	40,738	62.4%	39,586	37.6%	9,485	9.6%
Total	<u>65,291</u>	<u>100.0%</u>	<u>105,404</u>	<u>100.0%</u>	<u>99,014</u>	<u>100.0%</u>

- (1) Government customers include central and local governments and government departments in the PRC.
- (2) SOE customers include, based on the public search made by our Company from September to October 2023, customers which the largest shareholder was at least 51% directly or indirectly owned by central and local governments in the PRC.
- (3) Other customers include private companies, listed companies, foreign companies, public institutions or other types of entities that are not SOEs or local governments.

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* We exercise reasonable judgment to generate the breakdown based on the above definitions. However, given the limitations on public search, the complexity of certain customer’s shareholding structure, and that we are unable to ascertain the shareholding structure of all customers and their shareholders, such breakdown may not be accurate.

Our revenue from data management solutions derived from government customers increased significantly from RMB1.1 million in 2021 to RMB25.3 million in 2022, primarily due to the substantial revenue contribution from one large project in 2022. Our revenue from data management solutions derived from government customers decreased by 69.0% to RMB7.9 million in 2023, primarily due to a decrease in the average revenue of our projects as (i) we had no particularly large projects in 2023, and (ii) most of our projects delivered and accepted had more standardized components, and such projects generally generated lower revenue.

Our revenue from data management solutions derived from SOE customers increased by 72.5% from RMB23.5 million in 2021 to RMB40.5 million in 2022, and further increased significantly to RMB81.7 million in 2023. The foregoing increases were primarily due to an overall increase in the number of projects and revenue per project delivered to and accepted by SOE customers during the Track Record Period, primarily because we attracted new SOE customers and strengthened our business relationship with existing SOE customers as we continued enhancing our service quality and reputation.

Our revenue from data management solutions derived from other customers remained relatively stable at RMB40.7 million and RMB39.6 million in 2021 and 2022, respectively, and decreased by 76.0% to RMB9.5 million in 2023, primarily due to a decrease in the average revenue of our projects, mainly attributable to: (i) a decrease in our number of integrated system projects from five in 2022 to nil in 2023, as integrated system projects generally generated higher revenue but had lower gross profit margins; and (ii) an increase in our proportion of projects with more standardize components, as such projects generally generated lower revenue.

Revenue by Settlement Method

Our revenue from API marketplace were settled by two methods, prepayment and post-payment. Revenue settled by prepayment refers to revenue derived from sales where customers pay us before services are rendered (that is, sales to pre-paid customers). Revenue settled by post-payment refers to revenue derived from sales where customers pay us after services are rendered (that is, sales to post-paid customers).

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The table below sets forth a breakdown of our revenue from API marketplace by settlement method, in absolute amounts and as a percentage of total revenue generated from the indicated service type, for the years indicated:

	Year ended December 31,					
	2021	2022		2023		
	(RMB in thousands, except for percentages)					
Post-payment						
Query	109,494	88.0%	133,207	91.7%	263,040	96.9%
SMS notice	47,313	81.7%	54,353	77.0%	54,974	85.2%
Top-up	6,172	49.9%	5,472	71.8%	5,055	81.9%
Total revenue from post-payment.	162,979	83.7%	193,032	86.4%	323,069	94.4%
Prepayment						
Query	14,973	12.0%	12,072	8.3%	8,316	3.1%
SMS notice	10,570	18.3%	16,274	23.0%	9,569	14.8%
Top-up	6,198	50.1%	2,154	28.2%	1,115	18.1%
Total revenue from prepayment.	31,741	16.3%	30,500	13.6%	19,000	5.6%
Total	194,720	100.0%	223,532	100.0%	342,069	100.0%

Our revenue from API marketplace settled by post-payment increased by 18.6% from RMB163.0 million in 2021 to RMB193.0 million in 2022, and further increased by 67.4% to RMB323.1 million in 2023. The foregoing increases were primarily due to increases in the number of large customers, who generally settled by post-payment.

Our revenue from API marketplace settled by prepayment decreased by 3.9% from RMB31.7 million in 2021 to RMB30.5 million in 2022, and further decreased by 37.7% to RMB19.0 million in 2023. The foregoing decreases were primarily due to a decrease in our number of smaller-sized customers, who generally settled by prepayment.

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Cost of Sales

The table below sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Labor costs	7,805	11,674	16,250
Purchase costs – API marketplace	130,309	148,964	241,696
Purchase costs – data management solutions	30,222	59,046	56,887
Others ⁽¹⁾	1,763	1,698	1,598
Total	<u>170,099</u>	<u>221,382</u>	<u>316,431</u>

(1) Others primarily comprise cloud server, leasing and traveling costs.

Our cost of sales mainly comprises the following: (i) labor costs, which primarily include our costs incurred in hiring employees; and (ii) purchase costs, which primarily include: (a) costs of procuring data services for API marketplace; and (b) costs of purchasing software and hardware such as specialized software and servers for data management solutions.

The table below sets forth our cost of sales by service type during the Track Record Period:

	Year ended December 31,					
	2021		2022		2023	
	(RMB in thousands, except for percentages)					
API marketplace						
Query	80,863	47.5%	91,332	41.3%	187,030	59.1%
SMS notice	51,175	30.1%	59,752	27.0%	57,104	18.1%
Top-up	1,904	1.1%	965	0.4%	1,037	0.3%
	133,942	78.7%	152,049	68.7%	245,171	77.5%
Data management solutions	36,157	21.3%	69,333	31.3%	71,260	22.5%
Total	<u>170,099</u>	<u>100.0%</u>	<u>221,382</u>	<u>100.0%</u>	<u>316,431</u>	<u>100.0%</u>

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Gross Profit and Gross Profit Margin

The table below sets forth our gross profit and overall gross profit margin during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Revenue	260,011	328,936	441,083
Cost of sales	(170,099)	(221,382)	(316,431)
Gross profit	89,912	107,554	124,652
Gross profit margin	34.6%	32.7%	28.3%

The table below sets forth our gross profit by service type during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
API marketplace			
Query	43,604	53,947	84,326
SMS notice.	6,708	10,875	7,439
Top-up	10,466	6,661	5,133
	60,778	71,483	96,898
Data management solutions	29,134	36,071	27,754
Total	89,912	107,554	124,652

The table below sets forth our gross profit margin by service type during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
API marketplace	31.2%	32.0%	28.3%
Query	35.0%	37.1%	31.1%
SMS notice.	11.6%	15.4%	11.5%
Top-up	84.6%	87.3%	83.2%
Data management solutions	44.6%	34.2%	28.0%

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The table below sets forth a breakdown of our gross profit for API marketplace by key customers and non-key customers, in absolute amounts and as a percentage of total gross profit, for the years indicated:

	Year ended December 31,					
	2021			2022		
	(RMB in thousands, except for percentages)					
Gross profit						
Key customers	35,779	58.9%	52,058	72.8%	84,586	87.3%
Non-key customers	24,999	41.1%	19,425	27.2%	12,312	12.7%
Total	<u>60,778</u>	<u>100.0%</u>	<u>71,483</u>	<u>100.0%</u>	<u>96,898</u>	<u>100.0%</u>

Our gross profit derived from key customers of API marketplace increased by 45.5% from RMB35.8 million in 2021 to RMB52.1 million in 2022, and further increased by 62.5% to RMB84.6 million in 2023. The foregoing increases were primarily because the increases in our revenue derived from key customers of API marketplace outpaced the increases in the corresponding cost of sales, mainly because: (i) our number of key customers for API marketplace increased primarily as a result of our strategic focus on attracting and retaining large API marketplace customers; and (ii) we were able to negotiate for better prices and received more discounts from suppliers as our purchases increased.

Our gross profit derived from non-key customers of API marketplace decreased by 22.3% from RMB25.0 million in 2021 to RMB19.4 million in 2022, and further decreased by 36.6% to RMB12.3 million in 2023. The foregoing decreases were primarily because the decreases in our revenue derived from non-key customers of API marketplace outpaced the decreases in our corresponding cost of sales, mainly because we lowered our prices offered to certain non-key customers in response to heightened market competition.

The table below sets forth our gross profit margin for API marketplace by key customers and non-key customers for the years indicated:

	Year ended December 31,		
	2021	2022	2023
Gross Profit Margin			
Key customers	23.6%	28.5%	26.7%
Non-key customers.	58.0%	47.9%	48.5%

Our gross profit margin derived from key customers of API marketplace increased from 23.6% in 2021 to 28.5% in 2022, primarily due to our effective control of cost as we received additional discounts from suppliers due to our increased purchases. Our gross profit margin derived from key customers of API marketplace remained relatively stable at 26.7% in 2023. Our gross profit margins derived from key customers of API marketplace were lower than our gross profit margin derived from non-key customers of API marketplace, primarily because we offered additional discounts to key customers due to their high volume of purchases.

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Our gross profit margin derived from non-key customers of API marketplace decreased from 58.0% in 2021 to 47.9% in 2022, primarily due to our reduction of prices offered to certain customers in response to heightened market competition. Our gross profit margin derived from non-key customers of API marketplace remained relatively stable at 48.5% in 2023.

The gross profit margin for our data management solutions could vary significantly from project to project depending on the nature of each project. For solutions with more customized components or types of solutions that were unprecedented to us, we would typically incur higher research and development costs, labor costs and other costs, as we had to tailor to the specific needs of the customers or develop certain components from scratch. Due primarily to market competition, we could not always fully pass on such costs to our customers. As a result, our gross profit margin for such solutions were generally lower. For solutions with more standardized components, we could typically use previous components as templates, thereby significantly reducing our costs for such projects. As a result, our gross profit margin for such solutions were generally higher. Hence, the gross profit margin of our data management solutions could fluctuate significantly from period to period, depending on the nature of the projects we handled during the specific period.

We evaluate the projected cost of each data management solution project before providing a quote or making a bidding proposal. However, for projects with strategic significance or higher contract value, we may accept lower gross profit margins after considering competitors’ pricing, the customer’s budget, and whether the project could lead to additional business opportunities in the future. For instance, we have completed projects for certain government customers with gross profit margins in the low teens in the hope that such projects could foster long-lasting business relationships.

The table below sets forth a breakdown of our gross profit for data management solutions by customer type, in absolute amounts and as percentages of gross profit for data management solutions, for the years indicated:

	Year ended December 31,					
	2021		2022		2023	
	(RMB in thousands, except for percentages)					
Gross Profit						
Government customers	108	0.4%	5,650	15.7%	2,516	9.1%
SOE customers	9,205	31.6%	17,636	48.9%	19,918	71.8%
Other customers	19,821	68.0%	12,785	35.4%	5,320	19.1%

Our gross profit derived from government customers for data management solutions increased significantly from RMB0.1 million in 2021 to RMB5.7 million in 2022, primarily due to the substantial gross profit contribution from one large project. Our gross profit derived from government customers for data management solutions decreased by 55.5% to RMB2.5 million in 2023, primarily because we had no particularly large projects in 2023 and our average gross profit per project decreased as a result.

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Our gross profit derived from SOE customers for data management solutions increased by 91.6% from RMB9.2 million in 2021 to RMB17.6 million in 2022, and further increased by 12.9% to RMB19.1 million in 2023. The foregoing increases were primarily because the increases in our revenue derived from SOE customers outpaced the increases in the corresponding cost of sales, mainly due to: (i) increases in the number and average revenue per project as we expanded our business; and (ii) our effective control of the corresponding cost of sales.

Our gross profit derived from other customers for data management solutions decreased by 35.5% from RMB19.8 million in 2021 to RMB12.8 million in 2022, primarily because a relatively higher portion of revenue was contributed by two projects that had relatively higher cost of sales. Our gross profit derived from other customers for data management solutions further decreased by 58.4% to RMB5.3 million in 2023, primarily because the decrease in our revenue derived from other customers outpaced the decrease in our corresponding cost of sales, mainly due to decreases in our number and average revenue of projects delivered and accepted.

The table below sets forth a breakdown of our gross profit margin for data management solutions by customer type for the years indicated:

	Year ended December 31,		
	2021	2022	2023
Gross Profit Margin			
Government customers	9.9%	22.3%	32.0%
SOE customers	39.2%	43.6%	24.4%
Other customers	48.7%	32.3%	56.1%

Our gross profit margin derived from government customers for data management solutions increased significantly from 9.9% in 2021 to 22.3% in 2022, primarily because most of our gross profit for the year was contributed by one large project that had a gross profit margin of approximately 22.2%. Our gross profit margin derived from government customers for data management solutions further increased to 32.0% in 2023, primarily because projects with more standardized components contributed a higher portion of revenue. Such projects generally yield higher gross profit margins as they generally had relatively lower cost of sales due to having more standardized components.

Our gross profit margin derived from SOE customers for data management solutions increased from 39.2% in 2021 to 43.6% in 2022, primarily because projects with standardized components contributed a higher portion of revenue in 2022. Our gross profit margin derived from SOE customers for data management solutions decreased to 24.4% in 2023, primarily because a higher portion of revenue was contributed by integrated system projects, which generally involved relatively larger purchases of data services and thus had relatively higher cost of sales.

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Our gross profit margin derived from other customers for data management solutions decreased from 48.7% in 2021 to 32.3% in 2022, primarily because integrated system projects contributed a higher proportion of revenue. Our gross profit margin derived from other customers for data management solutions increased to 56.1% in 2023, primarily because a higher portion of our projects delivered and accepted had more standardized components.

Other Income and Other Gains, Net

Our other income and other gains, net, primarily consist of fair value gain or loss on financial assets at fair value through profit or loss, government grants and bank interest income. Fair value gain or loss on financial assets at FVTPL comprises the fair value gain or loss on our RMB-denominated structured deposits and unlisted debt security. The government grants we received were mainly from the local government where we are headquartered, the purposes of which are primarily to support our research and development activities, innovations, IP development, talent recruitments and other aspects of our operations conducted in the ordinary course of business. Our bank interest income primarily consists of interest income from both current and fixed deposits.

The table below sets forth a segment of our other income and other gains, net, for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Fair value gain/(loss) on financial assets at FVTPL	7,316	3,384	(460)
Government grants	7,419	5,557	8,437
Bank interest income	1,922	1,356	2,469
Dividend income	15	234	–
(Loss)/gain on disposal/written off of property, plant and equipment	(51)	10	(8)
Others	282	478	266
Total	16,903	11,019	10,704

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of labor costs, business development expenses and promotion expenses. Labor costs comprise primarily the salaries of our selling and distribution personnel. Promotion expenses comprise primarily our expenses incurred in relation to brand promotion activities, for example e-sports sponsorship and online and offline advertisements. Business development expenses comprise primarily expenses incurred in maintaining and developing customer relationships by our selling and distribution personnel.

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The table below sets forth a breakdown of the key components of our selling and distribution expenses for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Labor costs	9,364	10,170	9,071
Business development expenses	1,310	1,004	882
Promotion expenses	2,728	1,369	482
Depreciation and amortization	348	586	417
Travel expenses	320	260	379
Leasing expenses	157	116	39
Service expenses	1,029	511	843
Others ⁽¹⁾	193	362	417
Total	15,449	14,378	12,530

(1) Others primarily comprise miscellaneous expenses such as telecommunications expenses and utilities costs.

Research and Development Costs

Our research and development costs comprise primarily labor costs, outsourced research and development expenses, and cloud server costs. Labor costs comprise primarily the salaries of our research and development personnel. Outsourced research and development expenses comprise primarily expenses incurred from outsourcing certain research and development work to external service providers for our data management solutions. Cloud server costs comprise primarily costs of procuring cloud server services for use in our daily operations.

The table below sets forth a breakdown of the key components of our research and development costs for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Labor costs	13,418	18,384	16,128
Outsourced research and development expenses	971	4,340	4,938
Depreciation and amortization	345	667	1,038
Cloud server costs	1,490	1,575	863
Office expenses	358	697	485
Others ⁽¹⁾	293	682	798
Total	16,875	26,345	24,250

(1) Others comprise primarily miscellaneous expenses such as telecommunications expenses, patent fees and utilities costs.

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We consider research and development key to our ability to improve our services and solutions offering and maintain our competitive strengths. Our outsourced research and development work was mainly in relation to the development of data management platforms and operating systems. During the Track Record Period, we outsourced research and development work to five local companies, which are all Independent Third Parties. Of the five service providers:

- one is a data service company incorporated in Wuxi, Jiangsu Province that primarily focuses on developing national industrial internet platforms and providing industrial data intelligence system-related services;
- one is a data technology company incorporated in Suzhou, Jiangsu Province that primarily focuses on providing general data technology services, including technical services, technology development, technical consultation, internet data services, big data services, data processing and storage support services, and others;
- one is an information technology company incorporated in Suzhou, Jiangsu Province that primarily focuses on providing smart urban services relating to the development of smart cities and smart transportation, including professional consultation on informatization of government administration, database construction, development of platform software, spatiotemporal data modelling and mining, big data processing and analysis, and others;
- one is a data technology company incorporated in Wuxi, Jiangsu Province that primarily focuses on providing services related to technology research and development, technical consultation, technical services, computer software and hardware, data processing and storage technology, information system integration, digital multimedia projects, and others; and
- one is an information technology company incorporated in Suzhou, Jiangsu Province that primarily focuses on the development of geographic information systems and providing data services related to geographic information systems.

Our Directors confirm that except for the research and development outsourcing arrangements, there are no other present or past relationships between our Company and any of the five service providers, their respective substantial shareholders, directors or senior management, or any of their respective associates. We decide whether to outsource based primarily on cost efficiency. If the cost of outsourcing the research and development work was lower than the cost of performing the work in-house, we would typically outsource the research and development work to an external service provider. During the Track Record Period, the fluctuations in our outsourced research and development expenses were mainly attributable to the varying nature of the research work involved in the data management solution projects undertaken during the specific year or period. We incurred higher outsourced research and development expenses when a higher proportion of the research work was more cost-efficient to complete via outsourcing than in-house.

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Administrative and Other Expenses

Our administrative and other expenses comprise primarily labor costs, depreciation and amortization and professional fees. Labor costs comprise primarily the salaries of our administrative personnel. Professional fees comprise: (i) professional fees paid to professionals including legal advisors, auditors, and other professionals in our ordinary course of business, which totaled RMB1.1 million, RMB0.9 million and RMB1.5 million in 2021, 2022 and 2023, respectively; and (ii) non-recurring professional fees paid to professional parties involved in our previous listing preparation, which totaled RMB5.2 million, RMB8.4 million and RMB95,000 in 2021, 2022 and 2023, respectively. Depreciation and amortization comprise primarily the depreciation and amortization of our headquarters building and other properties.

The table below sets forth a breakdown of the key components of our administrative and other expenses for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Labor costs	8,368	8,996	8,747
Depreciation and amortization	2,953	9,305	10,029
Professional fees.	6,349	9,302	1,591
Donations	106	199	–
Office expenses	466	932	1,096
Travel expenses	515	177	878
Hospitality expenses ⁽¹⁾	263	1,746	2,599
Bank charge.	249	56	69
Equity-settled share-based payments	400	435	442
Others ⁽²⁾	821	877	2,067
Total	<u>20,490</u>	<u>32,025</u>	<u>27,518</u>

(1) Hospitality expenses primarily comprise dining and catering for business development with our potential and existing customers, staff, and professional parties, as well as purchases of administrative consumables and gifts given away as a part of business etiquette.

(2) Others primarily comprise miscellaneous expenses such as telecommunications expenses, vehicle expenses, utilities costs, and property management expenses.

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Impairment Loss on Financial and Contract Assets, Net

Our impairment loss on financial and contract assets comprise impairment on trade receivables, contract assets, and deposits and other receivables. The table below sets forth a breakdown of the key components of our impairment loss on financial and contract assets for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Trade receivables	437	1,775	10,032
Contract assets	6	20	(19)
Deposits and other receivables	(25)	(727)	(98)
Total	<u>418</u>	<u>1,068</u>	<u>9,915</u>

Finance Costs

Our finance costs primarily consist of interests on our lease liabilities, bank borrowings and repurchase liabilities. During the Track Record Period, our bank borrowings primarily comprised a RMB20.0 million loan obtained and repaid in 2021. The table below sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Interest on lease liabilities	9	1	1
Interest on bank borrowings	145	–	–
Interest on repurchase liabilities	–	–	1,013
Total	<u>154</u>	<u>1</u>	<u>1,014</u>

Income Tax

We are subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which we are domiciled and operate. Pursuant to the PRC income tax rules and regulations, our provision for PRC income is calculated based on the statutory tax rate of 25% during the Track Record Period, except for (i) our Company which is registered as a High and New-Tech enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for 2021, 2022 and 2023; (ii) Suzhou Tianju Renhe Technology Co., Ltd, which is registered as a High and New-Tech enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for 2021, 2022 and 2023; and (iii)

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Suzhou Tianju Xinghe Technology Co., Ltd. and Suzhou Zhonghui Jue Information Technology Co., Ltd., which qualified as small and micro-enterprises pursuant to applicable PRC tax regulations and entitled to a preferential tax rate of 2.5%, 2.5% and 5% for 2021, 2022 and 2023.

The table below sets forth the information relating to our income tax during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Current year – PRC Enterprise Income Tax	7,116	3,704	4,363
Deferred tax	347	(232)	(1,649)
Total	<u>7,463</u>	<u>3,472</u>	<u>2,714</u>

RESULTS OF OPERATIONS

The following discussion and analysis compare the major components of our results of operations in 2021, 2022 and 2023.

Comparisons between 2023 and 2022

Revenue

Our revenue increased by 34.1% from RMB328.9 million in 2022 to RMB441.1 million in 2023 due to an increase in our revenue from API marketplace.

Our revenue from API marketplace increased by 53.0% from RMB223.5 million in 2022 to RMB342.1 million in 2023 due to an increase in our revenue from query service:

- (a) Our revenue from query service increased by 86.8% from RMB145.3 million in 2022 to RMB271.4 million in 2023, primarily because: (i) our query service requests increased from 920.5 million in 2022 to 1,568.2 million in 2023; and (ii) the average price per request increased slightly from RMB0.16 in 2022 to RMB0.17 in 2023. The large increase in the volume of requests was primarily due to: (i) our acquisition of new large customers with high demand and an increase in demand from certain of our existing large customers as we continued to expand our business and enhance our services; (ii) an increase in demand for query service due to the increasingly common requirement for real-name registration in China, which resulted in an increase in demand for API-enabled identity authentication services.

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- (b) Our revenue from SMS notice service decreased by 8.6% from RMB70.6 million in 2022 to RMB64.5 million in 2023 primarily because our SMS notice service requests decreased from 2,130.7 million in 2022 to 2,097.5 million in 2023, mainly attributable to (i) our reduction of collaboration with certain customers who were slow at settling receivables; and (ii) a decrease in customer demand for finance and marketing-related SMS notices as a result of regulatory changes. The average price per request remained relatively stable at approximately RMB0.03 in 2022 and 2023.
- (c) Our revenue from top-up service decreased by 19.1% from RMB7.6 million in 2022 to RMB6.2 million in 2023, primarily because our top-up service orders decreased from 15.5 million in 2022 to 9.0 million in 2023 due to our strategic scale-down of this service. We have been strategically scaling down our top-up service since 2021 primarily because: (i) although top-up service had a high gross profit margin as we act as an agent for the service and therefore the associated fees are recognized on a net basis, and we recognized little cost of sales in the form of labor costs and equipment and server costs, we nevertheless paid top-up service providers and telecommunication operators approximately RMB99.0 for every RMB100.0 in top-up value. The end-users did not pay more than the top-up value. We consider the profitability to be low as only approximately RMB1.0 in profit can be earned for each RMB99.0 payment we made to top-up service providers and telecommunication operators; (ii) we expect that market competition will continue to intensify in the future and, as a result, adversely impact our top-up service business in the long-term future; and (iii) top-up service requires making large prepayments to suppliers, thereby negatively impacting our cash flow and liquidity. In view of the aforementioned reasons, we decided to shift our resources and efforts from top-up service to developing our other business lines, namely query service, SMS notice service, and data management solutions, which we believe have higher long-term growth potential.

Our revenue from data management solutions decreased by 6.1% from RMB105.4 million in 2022 to RMB99.0 million in 2023 primarily due to a decrease in our average revenue per project as a larger portion of our projects comprised projects with more standardized components, which generally generated lower revenue than projects with more customized components. In particular, a large number of our projects were “data police” solutions, which required relatively little customization and generated relatively lower revenue per project. In 2023, 62 of our data management solution projects were delivered to and accepted by our customers in comparison to 22 projects in 2022.

Cost of Sales

Our cost of sales increased by 42.9% from RMB221.4 million in 2022 to RMB316.4 million in 2023, primarily due to an increase in our purchase costs for API marketplace, which primarily comprised costs of data services, from RMB149.0 million in 2022 to RMB241.7 million in 2023 as we increased our purchases to meet the demand of our expanding query service.

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Gross Profit and Gross Profit Margin

Our gross profit increased by 15.9% from RMB107.6 million in 2022 to RMB124.7 million in 2023. Our gross profit margin decreased from 32.7% in 2022 to 28.3% in 2023.

Our gross profit margin for API marketplace decreased from 32.0% in 2022 to 28.3% in 2023, primarily due to the following reasons:

- (a) Our gross profit margin for query service decreased from 37.1% in 2022 to 31.1% in 2023, primarily because: (i) we offered lower prices to certain new large customers to maintain our competitiveness; and (ii) we lost certain large customers who yielded higher gross profit margins to competitors who offered prices that were more favorable than ours.
- (b) Our gross profit margin for SMS notice service decreased from 15.4% in 2022 to 11.5% in 2023, primarily because: (i) the increase in our revenue from SMS notice service was outpaced by the increase in our corresponding cost of sales, mainly because our suppliers raised their prices in response to new policies that imposed more stringent regulatory requirements on them, and we were not able to fully pass on the increased costs to our customers through price increases as we wanted to stay competitive; and (ii) we reduced our collaboration with certain customers who yielded higher gross profit margins due to their delay in settling receivables.
- (c) Our gross profit margin for top-up service decreased from 87.3% in 2022 to 83.2% in 2023, primarily because: (i) our revenue decreased as a result of our strategic downscaling of our top-up business; and (ii) our corresponding labor costs remained relatively stable as the number of personnel engaged in top-up service remained relatively stable, while the revenue from our top-up service decreased due to our strategic scale-down of this business segment.

Our gross profit margin for data management solutions decreased from 34.2% in 2022 to 28.0% in 2023, primarily because our revenue from data management solutions decreased while our corresponding cost of sales increased, mainly due to an increase in the corresponding labor costs as we assigned additional personnel to our data management solution business as a result of a significant increase in our number of projects from 22 in 2022 to 62 in 2023.

Other Income and Other Gains, Net

Our other income and other gains, net, remained relatively stable at RMB11.0 million and RMB10.7 million in 2022 and 2023, respectively.

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Selling and Distribution Expenses

Our selling and distribution expenses decreased by 12.9% from RMB14.4 million in 2022 to RMB12.5 million in 2023, primarily due to: (i) a decrease in our labor costs from RMB10.2 million in 2022 to RMB9.1 million in 2023, mainly attributable to a shift in our marketing personnel; and (ii) a decrease in our promotion expenses from RMB1.4 million in 2022 to RMB0.5 million in 2023, mainly attributable to our reduction of online and offline advertising activities that were relatively ineffective.

Research and Development Costs

Our research and development costs decreased by 8.0% from RMB26.3 million in 2022 to RMB24.3 million in 2023, primarily due to a 12.3% decrease in labor costs from RMB18.4 million in 2022 to RMB16.1 million in 2023. The foregoing decrease in labor costs was primarily because certain personnel from research and development were assigned to work on data management solution projects as we had a relatively high number of data management projects in 2023. The decrease in labor costs was partially offset by an increase in outsourced research and development expenses from RMB4.3 million in 2022 to RMB4.9 million in 2023 as certain data management solutions we worked on in 2023 involved research and development work that was more cost-efficient to complete through outsourcing.

Administrative and Other Expenses

Our administrative and other expenses decreased by 14.1% from RMB32.0 million in 2022 to RMB27.5 million in 2023, primarily due to a 82.9% decrease in professional fees from RMB9.3 million in 2022 to RMB1.6 million in 2023, which included a significant decrease in non-recurring professional fees from RMB8.4 million in 2022 to RMB0.1 million in 2023 as we ended our previous listing preparations. Our administrative and other expenses, after deducting the professional fees, increased by 14.1% from RMB22.7 million in 2022 to RMB25.9 million in 2023, primarily due to (i) an increase in our hospitality expenses from RMB1.7 million in 2022 to RMB2.6 million in 2023, mainly attributable to our increased business development events at which we hosted existing and potential customers; and (ii) an increase in our depreciation and amortization expenses from RMB9.3 million in 2022 to RMB10.0 million in 2023, mainly attributable to the depreciation of our headquarters building.

Impairment Loss on Financial and Contract Assets, Net

Our impairment loss on financial and contract assets increased significantly from RMB1.1 million in 2022 to RMB9.9 million in 2023, primarily due to a significant increase in impairment loss on trade receivables from RMB1.8 million in 2022 to RMB10.0 million in 2023, which was primarily attributable to (i) the increase in provisions for billed receivables due to the slow settlement of receivables from certain large customers; and (ii) an increase in our trade receivables as we gained additional post-paid large customers for our API marketplace.

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Finance Costs

Our finance costs increased significantly from RMB1,000 in 2022 to RMB1.0 million in 2023 due to our incurrence of interest expenses of RMB1.0 million on our repurchase liabilities arising from our share purchase obligation under the share transfer agreement signed with China-Singapore Ventures. For details, see “– Current Assets and Liabilities – Repurchase Liabilities” and “– Indebtedness”.

Income Tax Expense

Our income tax expense decreased from RMB3.5 million in 2022 to RMB2.7 million in 2023, primarily due to a decrease in our net profit for the year.

Net Profit and Net Profit Margin

Our net profit decreased by 15.1% from RMB41.3 million in 2022 to RMB35.1 million in 2023, while our net profit margin decreased from 12.6% in 2022 to 7.9% in 2023, primarily due to a decrease in our gross profit margin and an increase in our total expenses, mainly attributable to our non-recurring [REDACTED] expenses and an increase in our net impairment loss on financial and contract assets.

Comparisons Between 2022 and 2021

Revenue

Our revenue increased by 26.5% from RMB260.0 million in 2021 to RMB328.9 million in 2022 as both of our business lines continued to grow.

Our revenue from API marketplace increased by 14.8% from RMB194.7 million in 2021 to RMB223.5 million in 2022, driven by the increase in our revenue from query and SMS notice services and partially offset by the decrease in revenue from top-up service, in particular:

- (a) Our revenue from query service increased by 16.7% from RMB124.5 million in 2021 to RMB145.3 million in 2022 because our query service requests increased from 910.8 million in 2021 to 920.5 million in 2022, primarily due to an increase in customer demand for our query service as we continued to build customer trust and our customers increased their purchases of our services, and the average price per request increased from RMB0.14 in 2021 to RMB0.16 in 2022.
- (b) Our revenue from SMS notice service increased by 22.0% from RMB57.9 million in 2021 to RMB70.6 million in 2022 because our SMS notice service requests increased from 2,037.9 million in 2021 to 2,130.7 million in 2022, primarily due to increased customer demand mainly as a result of the business expansion of our large customers, and the average price per request remained relatively stable at approximately RMB0.03 in both 2021 and 2022.

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- (c) Our revenue from top-up service decreased by 38.4% from RMB12.4 million in 2021 to RMB7.6 million in 2022, primarily because our top-up service orders decreased from 35.0 million in 2021 to 15.5 million in 2022 as a result of our strategic scale-down of our top-up service since 2021.

Our revenue from data management solutions increased by 61.4% from RMB65.3 million in 2021 to RMB105.4 million in 2022, primarily because: (i) our number of projects delivered to and accepted by customers increased from 20 in 2021 to 22 in 2022; and (ii) our average revenue derived from each project increased by 45.5% from RMB3.3 million in 2021 to RMB4.8 million in 2022. As we continued to enhance our brand awareness and enrich our solution offerings, we attracted more sizeable customers including government organizations and state-owned enterprises whose projects were more complex and commanded a higher fee level.

Cost of Sales

Our cost of sales increased by 30.1% from RMB170.1 million in 2021 to RMB221.4 million in 2022, primarily due to: (i) an increase in the aggregate purchase costs for both of our business lines from RMB160.5 million in 2021 to RMB208.0 million in 2022 due to our business growth; and (ii) an increase in labor costs from RMB7.8 million in 2021 to RMB11.7 million in 2022 as we increased our operational personnel. Our purchase costs for API marketplace increased by 14.3% from RMB130.3 million in 2021 to RMB149.0 million in 2022 as we continued expanding our API marketplace business and purchased additional data services to fulfill the increased volume of service requests from customers. Our purchase costs for data management solutions increased by 95.4% from RMB30.2 million in 2021 to RMB59.0 million in 2022 as our data management solution business continued to expand rapidly, resulting in additional purchases of software and hardware.

Gross Profit and Gross Profit Margin

Our gross profit increased by 19.6% from RMB89.9 million in 2021 to RMB107.6 million in 2022. Our gross profit margin decreased slightly from 34.6% in 2021 to 32.7% in 2022, primarily due to a decrease in the gross profit margin of data management solutions.

Our gross profit margin for API marketplace remained relatively stable at 31.2% and 32.0% in 2021 and 2022, respectively. Below is an analysis of our gross profit margin for API marketplace by service type:

- (a) Our gross profit margin for query service remained relatively stable at 35.0% and 37.1% in 2021 and 2022, respectively.
- (b) Our gross profit margin for SMS notice service increased from 11.6% in 2021 to 15.4% in 2022, primarily because a higher proportion of revenue was contributed by certain types of SMS notice services that had higher gross profit margins, mainly as a result of an increase in our number of customers who had demand for such types of SMS notice services.

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- (c) Our gross profit margin for top-up service increased from 84.6% in 2021 to 87.3% in 2022, primarily because the decrease in cost of sales for top-up service outpaced the decrease in revenue derived from top-up service.

Our gross profit margin for data management solutions decreased from 44.6% in 2021 to 34.2% in 2022, primarily because the increase in our revenue from data management solutions was outpaced by the increase in our corresponding cost of sales, mainly because a higher proportion of revenue was contributed by integrated system projects, which generally involve higher purchase costs.

Other Income and Other Gains, Net

Our other income and other gains, net, decreased by 34.8% from RMB16.9 million in 2021 to RMB11.0 million in 2022, primarily due to: (i) a decrease in our fair value gain on financial assets at FVTPL by 53.7% from RMB7.3 million in 2021 to RMB3.4 million in 2022 due to our disposal of certain financial assets as part of our investment decisions; (ii) a decrease in our bank interest income by 29.4% from RMB1.9 million in 2021 to RMB1.4 million in 2022 primarily due to a decrease in market interest rates; and (iii) a decrease in government grants by 25.1% from RMB7.4 million in 2021 to RMB5.6 million in 2022.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 6.9% from RMB15.4 million in 2021 to RMB14.4 million in 2022, primarily due to: (i) a decrease of our promotion expenses from RMB2.7 million in 2021 to RMB1.4 million in 2022 as we pivoted from elevator advertisements to other cost-efficient and effective promotional methods; and (ii) our service expenses decreased from RMB1.0 million in 2021 to RMB0.5 million in 2022 primarily due to our reduced use of bidding and business development agents. These decreases were partially offset by the increase in our labor costs from RMB9.4 million in 2021 to RMB10.2 million in 2022 as we increased the average salary of our selling and distribution personnel to remain competitive in the hiring market.

Research and Development Costs

Our research and development costs increased by 56.1% from RMB16.9 million in 2021 to RMB26.3 million in 2022, primarily due to: (i) our labor costs increased from RMB13.4 million in 2021 to RMB18.4 million in 2022; and (ii) our outsourced research and development expenses increased from RMB1.0 million in 2021 to RMB4.3 million in 2022 as the data management solutions we delivered in 2022 involved more research and development work that was more cost-efficient to complete through outsourcing than in-house. As a part of our continuous effort to maintain our technological strengths, industry position, and ability to offer competitive services and solutions, we increased our research and development personnel and raised the average salary to attract talents.

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Administrative and Other Expenses

Our administrative and other expenses increased by 56.3% from RMB20.5 million in 2021 to RMB32.0 million in 2022, primarily due to: (i) the increase in depreciation and amortization from RMB3.0 million in 2021 to RMB9.3 million in 2022 as a result of recognition of the depreciation of our newly completed headquarters building, which we relocated to in January 2022; (ii) an increase in professional fees, including an increase in non-recurring professional fees from RMB5.2 million in 2021 to RMB8.4 million in 2022 relating to our previous listing preparations; and (iii) the increase in hospitality expenses from RMB0.3 million in 2021 to RMB1.7 million in 2022 as our administrative personnel engaged in additional and more targeted customer relationship management initiatives since we gained larger customers who required additional time and efforts from our senior management and administrative personnel in terms of customer relationship management. For instance, we hosted additional business development events with a view to pursuing more business opportunities and cementing existing client relationships.

Impairment Loss on Financial and Contract Assets, Net

Our impairment of financial and contract assets increased from RMB0.4 million in 2021 to RMB1.1 million in 2022, primarily due to an increase in our trade receivables and a slower receivable turnover, especially from large customers.

Finance Costs

Our finance costs decreased from RMB0.2 million in 2021 to RMB1,000 in 2022 as we did not incur interests on bank borrowings in 2022.

Income Tax Expense

Our income tax expense decreased by 53.5% from RMB7.5 million in 2021 to RMB3.5 million in 2022, primarily due to an increase in tax incentives for research and development costs from RMB1.8 million in 2021 to RMB3.0 million in 2022; and a decrease in our profit before tax from RMB53.4 million in 2021 to RMB44.8 million in 2022. For details, see Note 11 to the Accountants’ Report in Appendix I to this document.

Net Profit and Net Profit Margin

Our net profit decreased by 10.2% from RMB46.0 million in 2021 to RMB41.3 million in 2022, while our net profit margin decreased from 17.7% in 2021 to 12.6% in 2022, primarily due to a decrease in our gross profit margin and the increases in our expenses, in particular research and development costs and administrative and other expenses.

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LIQUIDITY AND CAPITAL RESOURCES

Overview

Historically, we funded working capital and other capital requirements primarily from our internal cash resources. Our ability to generate cash flow from operations depends on our operating performance, which is in turn dependent on general economic, financial, competitive, market and other factors, many of which are beyond our control.

We intend to finance our future capital requirements through the same sources of funds as discussed above, together with the [REDACTED] from this [REDACTED]. In order to cover future obligations and cash outflows, we need to have sufficient liquidity reserves at all times. We intend to monitor our liquidity risk through rolling forecasts of our liquidity requirements to ensure that we have sufficient cash to meet operational needs.

Taking into account the financial resources available to us, including our cash and cash equivalents as well as estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital required for our operations at present and for at least the next 12 months from the date of this document. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents and [REDACTED] from the [REDACTED]. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables during the Track Record Period.

With the same bases as set forth above, the Sole Sponsor concurs with our Directors’ view that our Company has sufficient working capital required for its operations at present and for at least the next 12 months from the date of this document.

Cash Flow

The table below sets forth a summary of our cash flow for the years indicated.

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Cash flows from operating activities			
Profit before tax	53,429	44,756	37,775
Operating profit before working capital changes	49,270	52,259	58,832
Changes in working capital	(80,396)	(84,435)	(49,443)
Net cash generated from/(used in) operating activities	(33,796)	(36,819)	4,445
Net cash generated from/(used in) investing activities	(166,628)	22,335	(44,780)
Net cash used in financing activities	(20,941)	(22)	(3,884)
Net decrease in cash and cash equivalents	(221,365)	(14,506)	(44,219)
Cash and cash equivalents at the beginning of the year	403,836	182,287	168,470
Exchange differences on translating cash flows of foreign operations	(184)	689	166
Cash and cash equivalents at the end of the year	182,287	168,470	124,417

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Cash Flows from Operating Activities

Our cash flows from operating activities consist primarily of cash generated from/used in our operations (such as sale of API marketplace and data management solutions), and changes in our inventories, trade receivables and payables, prepayments, deposits and other receivables, contract assets, other payables and accruals, and contract liabilities. Cash flows from operating activities reflect: (i) profit before tax, adjusted for non-cash and non-operating items such as depreciation of property, plant and equipment, interest income and fair value gain on financial assets at FVTPL; (ii) the effects of movements in working capital; and (iii) other cash items such as income tax paid and refund.

In 2023, our net cash generated from operating activities was RMB4.4 million, which was primarily attributable to profit before tax of RMB37.8 million, adjusted to reflect: (i) an increase in trade receivables of RMB61.1 million, driven by our revenue growth and an increase in our number of post-paid customers for API marketplace; (ii) an increase in trade payables of RMB24.8 million, primarily because of (a) an increase in the prices charged by our suppliers; and (b) our increased purchase of data services for our query service business; and (iii) an increase in prepayments, deposits and other receivables of RMB15.4 million, primarily due to an increase in prepayments made to suppliers, mainly attributable to the growth of our query service business.

In 2022, our net cash used in operating activities was RMB36.8 million, which was primarily attributable to profit before tax of RMB44.8 million, adjusted to reflect: (i) an increase in prepayments, deposits and other receivables of RMB38.4 million, primarily because we made additional prepayments to suppliers to ensure that we received steady supply of data services and we increased our bidding deposits as we participated in more bidding activities; (ii) an increase in trade receivables of RMB34.5 million, driven by our business expansion and continued increase in our number of post-paid customers; and (iii) a decrease in contract liabilities of RMB21.7 million as we fulfilled our obligation to render services to customers who had paid us in advance.

In 2021, our net cash used in operating activities was RMB33.8 million, which was primarily attributable to profit before tax of RMB53.4 million, adjusted to reflect: (i) an increase in trade receivables of RMB28.6 million, driven by the continued growth of our business and an increase in our post-paid customers; (ii) an increase in inventories of RMB17.2 million, primarily because we had yet to deliver certain data management solutions to our customers at the end of 2021, and the cost of sales related to these projects were accounted for as inventories; (iii) a decrease in trade payables of RMB13.5 million as we made payments to our suppliers; and (iv) an increase in prepayments, deposits and other receivables of RMB10.1 million primarily due to our increased prepayments to suppliers to secure steady supply of data services and augment our relationship with them.

In 2021 and 2022, we had net operating cash outflows as a result of: (i) increases in trade receivables primarily due to a significant increase in our number of post-paid customers, which was mainly attributable to the continued increase in the numbers of large API marketplace

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customers and data management solution customers; and (ii) decreases in trade payables, primarily because (a) we accelerated payments to our software and hardware suppliers in order to strengthen our collaboration with them, and (b) our payment obligations to certain suppliers did not yet arise as we had yet to collect payments from certain data management solution customers at the end of the year. The foregoing increases in trade receivables and decreases in trade payables were reflective of our business growth.

Cash Flows from Investing Activities

Our cash flows from investing activities consist primarily of our purchase of and proceeds from financial assets at FVTPL and our purchase of property, plant and equipment.

In 2023, our net cash used in investing activities was RMB44.8 million, which was primarily attributable to: (i) placement of time deposits of RMB130.0 million, partially offset by withdrawal of time deposits of RMB80.0 million; and (ii) purchase of property, plant and equipment of RMB26.7 million, which were partially offset by proceeds from disposal of financial assets at FVTPL of RMB181.1 million, partially offset by purchase of financial assets at FVTPL of RMB151.7 million.

In 2022, our net cash generated from investing activities was RMB22.3 million, which was primarily attributable to: (i) proceeds from disposal of financial assets at FVTPL of RMB461.3 million, which was partially offset by: (i) purchase of financial assets at FVTPL of RMB390.0 million; (ii) purchase of property, plant and equipment of RMB20.6 million; and (iii) placement of time deposits of RMB30.0 million.

In 2021, our net cash used in investing activities was RMB166.6 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB298.5 million; and (ii) purchase of property, plant and equipment of RMB72.8 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB202.8 million.

Cash Flow from Financing Activities

Financing activities primarily include bank borrowings, distribution of dividends, issue of shares and settlement of interest expenses.

In 2023, net cash used in financing activities primarily comprised payments for [REDACTED] expenses of RMB[REDACTED] relating to [REDACTED] and [REDACTED].

In 2022, net cash used in financing activities was RMB22,000 relating to repayments of principal and interest on our lease liabilities.

In 2021, net cash used in financing activities was RMB20.9 million, which was primarily attributable to: (i) dividends paid of RMB20.0 million; (ii) repayments of principal of lease liabilities of RMB0.8 million; and (iii) interests paid of RMB0.1 million.

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CURRENT ASSETS AND LIABILITIES

The table below sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2021	2022	2023	January 31, 2024
	(RMB in thousands)			
	(Unaudited)			
Current assets				
Inventories	21,533	12,454	20,850	21,502
Financial assets at fair value through profit or loss	103,066	35,155	–	10,000
Trade receivables	91,203	123,973	175,077	191,559
Prepayments, deposits and other receivables	20,321	59,466	78,743	92,287
Contract assets	1,117	3,994	1,865	1,815
Cash and cash equivalents	182,287	168,470	124,417	99,719
Time deposits	–	30,000	80,000	80,000
Tax recoverable	–	–	11	2,572
Total current assets	<u>419,527</u>	<u>433,512</u>	<u>480,963</u>	<u>499,454</u>
Current liabilities				
Trade payables	37,450	36,672	61,491	61,071
Other payables and accruals	23,113	39,474	19,816	18,132
Contract liabilities	51,440	29,692	29,802	38,722
Lease liabilities	–	43	–	–
Repurchase liabilities	–	–	23,013	23,211
Income tax payable	2,947	2,008	3,984	–
Total current liabilities	<u>114,950</u>	<u>107,889</u>	<u>138,106</u>	<u>141,136</u>
Net current assets	<u>304,577</u>	<u>325,623</u>	<u>342,857</u>	<u>358,318</u>

We had net current assets of RMB304.6 million, RMB325.6 million, RMB342.9 million and RMB358.3 million as of December 31, 2021, 2022 and 2023 and January 31, 2024, respectively. Our net current assets as of each of these dates were primarily attributable to our growing balance of trade receivables and cash and cash equivalents. Cash and cash equivalents and trade receivables each accounted for a substantial portion of our current assets.

Our net current assets increased by 4.5% from RMB342.9 million as of December 31, 2023 to RMB358.3 million as of January 31, 2024, primarily due to increases in our trade receivables, prepayments, deposits and other receivables, and financial assets at fair value through profit or loss.

Our net current assets increased by 5.3% from RMB325.6 million as of December 31, 2022 to RMB342.9 million as of December 31, 2023, primarily due to increases in our trade receivables, time deposits, prepayments, deposits and other receivables, and inventories.

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Our net current assets increased by 6.9% from RMB304.6 million as of December 31, 2021 to RMB325.6 million as of December 31, 2022, primarily due to increases in our time deposits, prepayments, deposits and other receivables, and trade receivables.

Liquidity Management Measures

Our trade receivables turnover days for 2021, 2022 and 2023 were 114 days, 125 days and 133 days, respectively. Our trade payable turnover days for 2021, 2022 and 2023 were 95 days, 61 days and 57 days, respectively. Such gap between the accounts receivables turnover days and the accounts payable turnover days may result in liquidity mismatch.

In view of the cash flow mismatch, to improve and refine our liquidity management, we plan to implement the following measures:

- For API marketplace, we plan to continue developing relationships with more customers of sound credit profile and expanding our business. We expect our bargaining power to increase in the future as our business grows, and that we would be able to negotiate for more favorable terms with our customers and shorten the collection period of our trade receivables, as well as negotiate for more favorable terms with our suppliers and extend the settlement period of our trade payables. In addition to gaining large customers, we also expect to attract more smaller-sized customers, who are generally pre-paid, as our business continues to expand and our brand recognition continues to improve.
- For data management solutions, we plan to increase our provision of solutions with more standardized components, which generally have a shorter collection period than solutions with more customized components. As a result, we expect that the liquidity of our data management solution business would improve with the increase in our sales of solutions with more standardized components.

We expect that our cash flow and liquidity will improve as a result of the aforementioned measures.

In addition, we plan to use 10% of our [REDACTED] from this [REDACTED] for working capital and general corporate purposes. For details, see “Future Plans and [REDACTED] – [REDACTED].”

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Inventories

Our inventories consist of contract fulfillment costs, which are labor costs allocated to the relevant data management solution projects before delivery, and purchases of software, hardware and components such as servers and specialized software in our data management solutions. Given the nature of our API marketplace, such business does not carry any inventory. Inventories are stated at the lower of cost and net realizable value. The table below sets forth our inventories as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Purchases of software, hardware and components	16,288	4,982	10,774
Contract fulfillment cost	5,245	7,472	10,076
Total	21,533	12,454	20,850

Our inventories accounted for an insignificant portion of our total assets as of December 31, 2021, 2022 and 2023, respectively. Our inventories decreased by 42.2% from RMB21.5 million as of December 31, 2021 to RMB12.5 million as of December 31, 2022, primarily because a substantial amount of inventories was recognized as cost of sales after our existing and newly-mandated data management solution projects were delivered and accepted throughout 2022. Our inventories increased by 67.4% from RMB12.5 million as of December 31, 2022 to RMB20.9 million as of December 31, 2023 primarily due to an increase in the number of data management solution projects that we have not yet delivered to our customers as of December 31, 2023.

The table below sets forth an aging analysis of our inventories:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Within one year	20,503	10,667	20,167
One to two years	1,030	1,787	659
Over two years	–	–	24
Total	21,533	12,454	20,850

Our inventories aged within one year decreased by 48.0% from RMB20.5 million as of December 31, 2021 to RMB10.7 million as of December 31, 2022, primarily due to the delivery and acceptance of our existing data management solution projects. Our inventories aged within one year increased by 89.1% from RMB10.7 million as of December 31, 2022 to RMB20.2 million as of December 31, 2023, primarily due to a substantial increase in the number of projects we secured during the year as we continued expanding our data management solution

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business and acquiring new customers. Our inventories aged one to two years increased by 73.5% from RMB1.0 million as of December 31, 2021 to RMB1.8 million as of December 31, 2022, primarily because we began working on one relatively large project for a government customer that remained undelivered at the end of the year. Our inventories aged one to two years decreased by 63.1% from RMB1.8 million as of December 31, 2022 to RMB0.7 million as of December 31, 2023, primarily due to the delivery and acceptance of the aforementioned project.

Our Directors believe that there is no material recoverability issue for inventories based on the following reasons: (i) all our data management solution projects delivered and accepted during the Track Record Period were profitable; (ii) during the Track Record Period, none of our customers refused to accept our data management solutions or breached their contracts with us; (iii) considering our ongoing communications and business relationships with our customers, we do not expect any customer to refuse our delivery of data management solutions or materially breach their contracts with us in the foreseeable future; and (iv) we form well-planned budgets for all our data management solution projects and do not expect to incur losses on any of the ongoing projects.

The table below sets forth the average inventory turnover days as of the dates indicated:

	Year ended December 31,		
	2021	2022	2023
Average inventory turnover days (overall) ⁽¹⁾	28	28	19
Average inventory turnover days (data management solutions) ⁽²⁾	130	89	85

(1) Average inventory turnover days equal the average of the opening and closing inventory balances of the indicated year divided by the cost of sales for the same year and multiplied by 365 days.

(2) Average inventory turnover days equal the average of the opening and closing inventory balances of the indicated year divided by the cost of sales of data management solutions for the same year and multiplied by 365 days.

Our average inventory turnover days for data management solutions decreased from 130 days in 2021 to 89 days in 2022 after we delivered a number of data management solution projects that we had not delivered at the end of 2021. Such turnover days remained relatively stable at 85 days in 2023.

Inventories are utilized as our data management solutions are delivered to and accepted by customers. Our Directors expect the majority of our inventories as of December 31, 2023 to be utilized in the first quarter of 2024. Our Directors believe no provision for inventories is required as all of our data management solution projects on hand as of December 31, 2023 are expected to generate profit. Our Directors are of the view that there are no material net realizable value issues and do not foresee any material recoverability issues for inventories. As of the Latest Practicable Date, RMB4.1 million, or 19.7% of our inventories as of December 31, 2023, had been used.

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Financial Assets at FVTPL

Our current financial assets at FVTPL represent Renminbi-denominated structured deposits. The expected annual interest rate for the structured deposits to be received is uncertain until redemption. Our non-current financial assets at FVTPL represents our unlisted debt investments. The table below sets forth the financial assets at FVTPL as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Structured deposits	103,066	35,155	–
Unlisted debt security	–	–	5,245
	103,066	35,155	5,245

Our current financial assets at FVTPL consisted of: (i) RMB103.1 million of structured deposits offered by Bank of Jiangsu as of December 31, 2021; and (ii) RMB35.2 million structured deposits at Agricultural Bank of China as of December 31, 2022. The aforementioned structured deposits carried expected annual interest rates of 1.2% to 4.0% during the Track Record Period. Our non-current financial assets at FVTPL consisted of RMB5.2 million of unlisted debt security as of December 31, 2023, representing our investment in an unlisted investment fund principally engaged in the trading of securities. For details, see Note 25 to the Accountants’ Report in Appendix I to this document.

The movements during the Track Record Period of the unlisted debt security at level 3 fair value measurement are set out below:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
At the beginning of the year	–	–	–
Addition	–	–	6,667
Fair value changes	–	–	(1,422)
At the end of the year	–	–	5,245

We have implemented internal control policies and rules regarding investment in structured products to ensure that the purpose of such investment is to preserve capital and liquidity until the free cash is used in our primary business and operation. Prior to purchasing a structured product, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such products. We adopt a prudent approach in selecting financial products. Our investment decisions are made on a case-by-case basis, subject to the approval of our chief financial officer, and after due and careful consideration of a number of factors, such as

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duration of the investment, reputation of the bank, and the expected returns. To control our risk exposure, we have in the past sought, and may continue in the future to seek other low-risk financial products. Additionally, we mainly invest in financial products offered by reputable commercial banks in China. We will comply with requirements under Chapter 14 of the Listing Rules and disclose the details of our investments and other notifiable transactions to the extent necessary and as appropriate after the [REDACTED].

Trade Receivables

Our trade receivables represent amounts receivable for services and solutions sold to our customers. We measure loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The table below sets forth our trade receivables and impairment loss allowance as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Trade receivables			
API marketplace	55,753	82,039	146,484
Data management solutions	39,520	47,779	44,470
Total trade receivables	95,273	129,818	190,954
Less: impairment loss allowance	(4,070)	(5,845)	(15,877)
Trade receivables, net	91,203	123,973	175,077

Our customers can be divided into customers that pay us either before (“pre-paid”) or after (“post-paid”) services are rendered. Trade receivables tend to be higher when there are a larger number of customers who pay only after services are rendered, as their payment obligations are recorded as trade receivables. Most of our data management solution customers and large API marketplace customers, comprising government organizations and large internet companies, are post-paid customers. Our trade receivables less impairment loss allowance increased by 35.9% from RMB91.2 million as of December 31, 2021 to RMB124.0 million as of December 31, 2022, and further increased by 41.2% to RMB175.1 million as of December 31, 2023. The foregoing increases were primarily due to: (i) the general growth of our data management solution business, the customers of which were mostly post-paid; and (ii) an increase in the number of post-paid customers for our API marketplace as we continued attracting large customers for this business segment.

We performed an impairment analysis with regard to the balance of our trade receivables at the end of each year or period within the Track Record Period. As of December 31, 2021, 2022 and 2023, we had loss allowance for impairment of trade receivables of RMB4.1 million, RMB5.8 million and RMB15.9 million, respectively. For details, see Note 39(b) to the Accountants’ Report in Appendix I to this document. Our Directors consider the impairment loss allowance for our trade receivables to be adequate based on the aforementioned reasons.

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The table below sets forth an aging analysis of trade receivables, net of impairment losses, based on the invoice dates, as of the dates indicated:

	As of December 31,		
	2021	2022	2023
(RMB in thousands)			
API marketplace			
Unbilled receivables	43,923	60,184	89,975
Billed receivables			
Within 30 days	7,273	8,497	16,853
31-60 days	512	493	11,949
61-90 days	57	4,100	3,451
91-180 days	103	1,045	3,486
Over 180 days	64	2,004	5,218
Subtotal	<u>8,009</u>	<u>16,139</u>	<u>40,957</u>
Subtotal for API marketplace	<u>51,932</u>	<u>76,323</u>	<u>130,932</u>
Data management solutions			
Unbilled receivables	39,271	34,707	37,131
Billed receivables			
Within 30 days	–	11,159	1,627
31-60 days	–	733	3,991
61-90 days	–	–	616
91-180 days	–	–	599
Over 180 days	–	1,051	181
Subtotal	<u>–</u>	<u>12,943</u>	<u>7,014</u>
Subtotal for data management solutions	<u>39,271</u>	<u>47,650</u>	<u>44,145</u>
Total	<u>91,203</u>	<u>123,973</u>	<u>175,077</u>

For API marketplace, our unbilled receivables and billed receivables aged zero to 90 days, net of impairment loss allowance, amounted to RMB51.8 million, RMB73.3 million and RMB122.2 million as of December 31, 2021, 2022 and 2023, respectively. In particular, for API marketplace, our unbilled receivables and billed receivables aged within 30 days increased by 55.5% from RMB68.7 million as of December 31, 2022 to RMB106.8 million as of December 31, 2023, while our trade receivables aged 31 to 60 days increased significantly from RMB0.5 million as of December 31, 2022 to RMB11.9 million as of December 31, 2023. The increases were reflective of the growth of our revenue from API marketplace during the Track Record Period. For data management solutions, our unbilled receivables and billed receivables aged zero to 90 days, net of impairment loss allowance, amounted to RMB39.3 million, RMB46.6 million and RMB43.4 million as of December 31, 2021, 2022 and 2023, respectively. The overall increases in our trade receivables aged zero to 90 days for both business lines during the Track Record Period were in line with our revenue growth.

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For API marketplace, our trade receivables aged over 90 days, net of impairment loss allowance, amounted to RMB0.2 million, RMB3.0 million and RMB8.7 million as of December 31, 2021, 2022 and 2023, respectively. The overall increase during the Track Record Period was primarily due to an increase in our number of large customers for API marketplace, as large customers had stronger bargaining power in negotiating payment terms and were generally post-paid customers who underwent relatively long internal reconciliation procedures before making payments. For data management solutions, our trade receivables aged over 90 days, net of impairment loss allowance, amounted to nil, RMB1.1 million and RMB0.8 million as of December 31, 2021, 2022 and 2023, respectively. The increase to RMB1.1 million as of December 31, 2022 was primarily because we had yet to receive payment for one data management solution delivered in 2021 at the time. This outstanding receivable had since been collected in full.

As of December 31, 2023, we had RMB20.9 million of gross trade receivables aged over 90 days. These were due from 20 customers, including five SOE customers, one government customer and 14 other customers, primarily comprising technology and data service companies. As of the Latest Practicable Date, we had subsequently recovered RMB1.4 million of these trade receivables. However, our Directors believe that there is no material risk that the remaining trade receivables aged over 90 days could not be recovered based on the following factors:

- 94.1% of the RMB20.9 million was due from five customers, including three other customers and two SOE customers (accounting for approximately 32.0% of the RMB20.9 million). For the two SOE customers, we have obtained a favorable court judgment in our litigation against one of them (accounting for approximately 7.6% of the RMB20.9 million) over its outstanding balance in November 2023, so we expect that we can collect the outstanding receivables due from this customer, also taking into account this customer's financial conditions and capability to make such payments. For the other SOE customer (accounting for approximately 24.4% of the RMB20.9 million), we expect this customer to fully settle its outstanding receivables in the first quarter of 2024 based on the continuous discussions between our sales personnel and this customer.
- For the three other customers (accounting for approximately 62.1% of the RMB20.9 million), based on our regular communications with them, their delays in settlement were not due to their experiencing any interruptions in business activities, encountering any financial difficulties or having disputes with us. Instead, they encountered settlement issues with their own clients as stated below. We have been actively following up and discussed settlement plans with each of these customers and believe that they are able and willing to settle outstanding receivables in due course as agreed with them.

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- For the three other customers, the first one (accounting for 25.6% of the RMB20.9 million) delayed settlement due to a settlement dispute with its own client, but this customer has since resolved its dispute with its client, who has agreed to pay our customer in monthly installments starting from December 2023. We expect this customer to settle its outstanding receivables in the first half of 2024. The second customer (accounting for 17.4% of the RMB20.9 million) and the third customer (accounting for 19.1% of the RMB20.9 million) delayed settlement as they needed additional time to reconcile their records of their own clients’ usage of API services with their own records. We expect to collect the outstanding receivables due from these two customers in the first half of 2024, and have already received payments totaling RMB1.3 million from the third customer in January 2024.
- For the remaining 5.9% of the RMB20.9 million, we expect the outstanding amounts to be fully settled in the first half of 2024 based on the continuous discussions between our sales personnel and the relevant customers.

During the Track Record Period, our trade receivables comprised both unbilled and billed portions. Our unbilled receivables were mainly attributable to services rendered for API marketplace and data management solutions for which we have recognized revenue but not yet billed to our customers. Once we issue invoices to customers, such unbilled receivables would become billed receivables, until payments are settled. Our billed receivables primarily represented services rendered and billed to our customers. Also see “– Significant Accounting Policies and Estimates – Revenue Recognition”.

For API marketplace, as our customers may incur substantial number of API requests during a period, and hence need more time to reconcile their internal records with our records in order to ascertain that they have been charged for the correct number of API requests. For both API marketplace and data management solutions, before we issue invoices to our customers, we have to wait for the long internal approval process by our customers’ business and/or finance departments, which can take weeks or even months. According to F&S, after conducting independent research, such prolonged billing and payment process is in line with the market practice in China, and it is a market practice that invoices issued to customers, especially ones that have more bargaining power such as government entities, SOEs and large corporate entities, are generally dated after the conclusion of their internal approval process although our services under relevant contracts have been duly rendered. For a detailed discussion of the stages in our settlement process, see “Business – Our Customers – General Terms of Contracts with Customers”.

As of December 31, 2021, 2022 and 2023, our trade receivables included unbilled receivables of RMB83.2 million, RMB94.9 million and RMB127.1 million, respectively, and billed receivables of RMB8.0 million, RMB29.1 million and RMB48.0 million, respectively.

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The table below sets forth a breakdown of our unbilled receivables by business segment as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Unbilled receivables			
API marketplace	43,923	60,184	89,975
Data management solutions	39,271	34,707	37,131
Total	<u>83,194</u>	<u>94,891</u>	<u>127,106</u>

The table below sets forth a breakdown of our unbilled receivables by customer type as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Unbilled receivables			
Government	–	–	2,240
SOEs	41,572	35,606	28,318
Large corporate entities ⁽¹⁾	18,776	42,046	88,122
SMEs ⁽²⁾	22,846	17,239	8,426
Total	<u>83,194</u>	<u>94,891</u>	<u>127,106</u>

(1) Represents corporate entities classified as “L” or large (大型) on Qichacha (企查查) and corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型) on Qichacha that are listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

(2) Represents corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型), on Qichacha (企查查), excluding companies listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

Our Directors believe that there are no material recoverability issues with the trade receivables due from our major and strategic customers on the following basis:

- Our major and strategic customers are primarily government entities, SOEs, and large corporate entities with solid credit profiles and a history of settling receivables with us. We have generally maintained strong and stable business relationships with these customers;

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- The delay in settlement by certain of our major and strategic customers was not caused by financial difficulties or interruptions in their business activities, but due to their effort at better managing their liquidity and cash flow as they were still recovering from the negative impact of the Covid-19 pandemic or had yet to settle receivables due from their own customers; and
- Our sales personnel maintain communications with these customers to monitor their business performance and financial position and to discuss settlement plans. Based on such communications, these customers have generally agreed to settle their receivables in full within the first nine months of 2024.

In addition, we would take appropriate follow-up actions with our major and strategic customers when receivables become due.

As of the Latest Practicable Date, our API marketplace customers settled a substantial portion of unbilled and billed receivables as of December 31, 2021 and 2022. It suggested that our API marketplace customers overall had a good record of payment settlement. In very rare cases, we filed a claim against customers to recover the amount of receivables. For the data management solutions delivered and accepted in 2022, we received payments after the delivery and acceptance of 17 projects from 2022 up to the Latest Practicable Date. Such payment represented 78.8% of the receivables of the projects as of their respective delivery and acceptance months. For the data management solutions delivered and accepted in 2021, we received payments after the delivery and acceptance of 16 projects from 2022 up to the Latest Practicable Date. Such payment represented 94.9% of the receivables of the projects as of their respective delivery and acceptance months. These results suggest that our data management solution customers do, over time, continuously seek to settle their payments with us after the delivery and acceptance of respective solutions.

On the basis of (1) reviewing the breakdown of the Group's unbilled receivables as of December 31, 2021, 2022 and 2023; (2) reviewing the breakdown of the subsequent settlement to the unbilled receivables as of the Latest Practicable Date; (3) with the assistance of the Sponsor's PRC Legal Counsel, conducting desktop search on the top five customers with unbilled receivables as of December 31, 2021, 2022 and 2023; (4) discussing with F&S and obtaining their view that it is a market practice in China that invoices issued to customers, especially ones that have more bargaining power such as government entities, SOEs and large corporate entities, are generally dated after the conclusion of their internal approval process; and (5) discussing with the Reporting Accountants and obtaining their confirmation that appropriate provisions were made in the Group's audited financial statements, no material information has come to the Sole Sponsor's attention that would lead it to disagree with the Directors' views on the recoverability of unbilled receivables and whether sufficient provision has been made.

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The table below sets forth an aging analysis of trade receivables, net of impairment losses, based on the revenue recognition dates, as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
API marketplace			
Unbilled receivables			
Within 30 days	27,824	20,919	29,431
31-60 days	1,308	19,047	23,312
61-90 days	443	7,173	8,287
91-180 days	532	11,688	5,305
Over 180 days	13,816	1,357	23,640
Subtotal	<u>43,923</u>	<u>60,184</u>	<u>89,975</u>
Billed receivables			
Within 30 days	–	531	1
31-60 days	7,120	8,286	451
61-90 days	504	541	12,949
91-180 days	279	4,352	7,373
Over 180 days	106	2,429	20,183
Subtotal	<u>8,009</u>	<u>16,139</u>	<u>40,957</u>
Subtotal for API marketplace	<u>51,932</u>	<u>76,323</u>	<u>130,932</u>
Data management solutions			
Unbilled receivables			
Within 30 days	25,539	19,729	12,364
31-60 days	13,361	2,535	–
61-90 days	–	60	–
91-180 days	–	1,317	2,438
Over 180 days	371	11,066	22,329
Subtotal	<u>39,271</u>	<u>34,707</u>	<u>37,131</u>
Billed receivables			
Within 30 days	–	11,892	5,361
31-60 days	–	–	287
61-90 days	–	–	–
91-180 days	–	–	–
Over 180 days	–	1,051	1,366
Subtotal	<u>–</u>	<u>12,943</u>	<u>7,014</u>
Subtotal for data management solutions	<u>39,271</u>	<u>47,650</u>	<u>44,145</u>
Total	<u>91,203</u>	<u>123,973</u>	<u>175,077</u>

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The table below sets forth the turnover days for our trade receivables and billed receivables for the years indicated:

	Year ended December 31,		
	2021	2022	2023
Trade receivables turnover days ⁽¹⁾	114	125	133
Billed receivables turnover days ⁽²⁾	11	22	38

- (1) Trade receivables turnover days equal the average of the opening and closing trade receivables balances of the indicated year divided by the revenue for the same year and multiplied by 365 days.
- (2) Billed receivables turnover days equal the average of the opening and closing gross billed receivables balances of the indicated year divided by the revenue for the same year and multiplied by 365 days.

Our trade receivable turnover days increased from 114 days in 2021 to 125 days in 2022, and further increased to 133 days in 2023, primarily due to an increase in our number of large customers, including large internet companies and government organizations, who are generally post-paid customers that settle payments after using our API marketplace services or after the delivery and acceptance of our data management solution projects. Before we issue invoices to our customers, we have to wait for the long internal approval process by our customers’ business and/or finance departments, which can take weeks or even months. For our monthly settled API marketplace customers, they take time to reconcile their internal records with our records in order to ascertain that they have been charged for the correct number of API requests. The customers also undergo their internal protocols to initiate the payment process. All these reasons contribute to our increased turnover days of trade receivables. Our billed receivables turnover days were 11 days in 2021, 22 days in 2022 and 38 days in 2023. Our billed receivables turnover days were generally within our credit period of five to 60 days.

We closely monitor and control the recoverability of our outstanding receivables, especially unbilled receivables, by adopting the following measures:

- keeping records of outstanding receivables;
- requiring our sales personnel to communicate with customers regarding payment plans;
- if a customer’s payment to us is dependent on the customer’s receivables, we will take reasonable efforts to understand the recoverability of the relevant receivables from the perspective of our customer;
- implementing various measures to collect outstanding payments, including: (i) negotiating with customers to formulate payment plans and monitoring the implementation of such plans; (ii) prompting customers to complete internal approval and invoice issuance processes as soon as possible; and (iii) sending overdue payment notices to customers; and
- maintaining and regularly updating a list of customers with payments that are overdue and designating personnel to collect overdue payments.

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Our Director consider our Group's internal controls on monitoring and controlling our unbilled receivables sufficient and effective, on the basis that:

- As of the Latest Practicable Date, 90.2% and 97.3% of the unbilled receivables as of December 31, 2022 and 2021, respectively, were billed; and 86.7% and 97.0% of the unbilled receivables as of December 31, 2022 and 2021, respectively, were settled. This indicated that our customers were willing to pay their unbilled receivables;
- The amount of the billed receivables was one of the assessment criteria of sales personnels' payroll. They have personal interests to follow up with customers and facilitate the billing of unbilled receivables; and
- Our revenue derived from the contributions from large customers. For example, for each of the years ended December 31, 2021, 2022 and 2023, revenue from our five largest customers accounted for approximately 41.1% to 62.3% of our total revenue. Our data management solutions have less than 30 customers. To maintain and expand our business operation, we are also prudent on maintaining our relationship with our large customers. Sufficient and effective internal control measures should also strike the balance between reduction on the unbilled receivables and maintenance of customer relationships.

Furthermore, in order to minimize our credit risks, we have implemented a collection policy which includes measures to perform on-going credit evaluation of the financial conditions of our customers. For both our new and existing customers, we assess the potential customer's credit quality at the early stage of entering contracts and our sales department is responsible for assessing the risks and credits of our customers.

For a new customer, as part of the customer onboarding process, our sales staff would collect basic information and build customer profiles to include the new customer's business operation conditions, financial conditions and credit conditions and assess their credit risk based on the information collected. Before we enter into a new contract with our new or existing customers, we internally review and confirm the contract with our staff in various key departments such as finance, sales and legal. Approvals from the relevant departments are required to enter into contracts. For our existing customers, we also consider the customers' payment history and any unsettled amount with them before entering into new contracts with them. We regularly update our assessments based on our customers' business operations and financial performance. We obtain information on our customer's operation and financial performance via the public domain and through regular communications with them.

When receivables become due, we take further appropriate follow-up actions based on our previous assessments, including continuous communications with our customers, demanding due payments through written communications and taking legal actions when necessary. Our sales team is responsible for following up periodically with our customers regarding unbilled receivables, and closely monitors the progress and outcome of such follow-ups.

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Our finance staff reviews settlement amounts every month and the aging of unbilled receivables and prepares a list of customers for sales staff to take further actions from time to time. If the outstanding receivables cannot be recovered after exhausting all proper measures, the sales staff would notify the finance department. The finance staff would review and obtain approvals from relevant personnel to make loss allowances for unrecoverable receivables whenever necessary.

Based on the foregoing, sample testing and the internal control consultant’s review of the Company’s policies and procedures, the internal control consultant engaged by the Company is of the view that there are no internal control deficiencies on unbilled receivables.

As a result of the foregoing, our Directors believe that our internal controls over unbilled receivables are sufficient and that there is no material recoverability issue with our receivables from our major and strategic customers.

Through discussions with the internal control consultant engaged by our Company (the “**Internal Control Consultant**”), the Sole Sponsor understood that the Internal Control Consultant has interviewed and discussed with the responsible persons to understand the abovementioned internal control procedures. The Internal Control Consultant noted that the Company has established written policies and procedures to manage and monitor the sales activities including pricing, customer’s identity verification, contract management, customer’s credit, and account receivables confirmation procedures.

Based on the foregoing, no material information has come to the Sole Sponsor’s attention that would lead it to disagree with the Directors’ and the Internal Control Consultant’s views on the effectiveness and sufficiency of the Group’s internal control measures on unbilled receivables as discussed.

As of the Latest Practicable Date, 21.8% of our trade receivables as of December 31, 2023, 79.8% of our trade receivables as of December 31, 2022 and 93.5% of our trade receivables as of December 31, 2021 had been settled. With the exception of trade receivables totalling RMB3.5 million, which have been accounted for in the impairment loss allowance, our Directors are not aware of any material recoverability issue.

As of the Latest Practicable Date, 39.5% of our unbilled receivables as of December 31, 2023, 90.2% of our unbilled receivables as of December 31, 2022, and 97.3% of our unbilled receivables as of December 31, 2021, had been billed.

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The table below sets forth the subsequent billing status as of the Latest Practicable Date of our unbilled receivables as of December 31, 2021, 2022 and 2023 by business segment:

	As of December 31,		
	2021	2022	2023
Subsequently billed receivables as of the Latest Practicable Date			
API marketplace	97.7%	98.9%	43.3%
Data management solutions	96.8%	75.1%	30.4%
Total	<u>97.3%</u>	<u>90.2%</u>	<u>39.5%</u>

The table below sets forth the subsequent billing status as of the Latest Practicable Date of our unbilled receivables as of December 31, 2021, 2022 and 2023 by customer type:

	As of December 31,		
	2021	2022	2023
Subsequently billed receivables as of the Latest Practicable Date			
Government	—	—	15.0%
SOEs	97.0%	82.2%	32.7%
Large corporate entities ⁽¹⁾	99.7%	99.9%	42.9%
SMEs ⁽²⁾	96.0%	82.8%	33.1%
Total	<u>97.3%</u>	<u>90.2%</u>	<u>39.5%</u>

(1) Represents corporate entities classified as “L” or large (大型) on Qichacha (企查查) and corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型) on Qichacha that are listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

(2) Represents corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型), on Qichacha (企查查), excluding companies listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

As of the Latest Practicable Date, 29.3% of our unbilled receivables as of December 31, 2023, 86.7% of our unbilled receivables as of December 31, 2022, and 97.0% of our unbilled receivables as of December 31, 2021, had been settled.

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The table below sets forth the subsequent settlement status as of the Latest Practicable Date of our unbilled receivables as of December 31, 2021, 2022 and 2023 by business segment:

	As of December 31,		
	2021	2022	2023
Subsequently settled unbilled receivables as of the Latest Practicable Date			
API marketplace	97.1%	96.5%	31.7%
Data management solutions	96.8%	69.7%	23.4%
Total	<u>97.0%</u>	<u>86.7%</u>	<u>29.3%</u>

The subsequent settlement rate as of the Latest Practicable Date of our unbilled receivables for data management solutions as of December 31, 2022 was relatively low at 69.7%, primarily because the following four customers had yet to settle payments with us:

- Two SOE customers that had to go through lengthy internal processes before issuing payments to us. As per communications with our sales personnel, one of them (accounting for 65.5% of the unbilled receivables for data management solutions as of December 31, 2022 that remained unsettled as of the Latest Practicable Date) has agreed to settle its outstanding unbilled receivables with us before June 30, 2024, and the other one (accounting for 11.9% of the outstanding unbilled receivables) before September 30, 2024;
- A publicly-funded university (accounting for 22.5% of the outstanding unbilled receivables) that delayed its settlement due to a decrease in the government grants it received in 2022 and 2023 as the Covid-19 pandemic negatively impacted the local government’s financial position. As per communications with our sales personnel, this customer has agreed to settle its outstanding unbilled receivables with us before June 30, 2024; and
- An SOE customer (accounting for 0.1% of the outstanding unbilled receivables) delayed its settlement as it had not yet received payments due from its own customer, a local government platform in Suzhou. As per communications with our sales personnel, this customer has agreed to settle the outstanding unbilled receivables with us before December 31, 2024.

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The table below sets forth the subsequent settlement status as of the Latest Practicable Date of our unbilled receivables as of December 31, 2021, 2022 and 2023 by customer type:

	As of December 31,		
	2021	2022	2023
Subsequently settled unbilled receivables as of the Latest Practicable Date			
Government	–	–	–
SOEs	96.9%	75.7%	25.4%
Large corporate entities ⁽¹⁾	99.7%	99.5%	32.4%
SMEs ⁽²⁾	94.7%	78.3%	16.9%
Total	<u>97.0%</u>	<u>86.7%</u>	<u>29.3%</u>

(1) Represents corporate entities classified as “L” or large (大型) on Qichacha (企查查) and corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型) on Qichacha that are listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

(2) Represents corporate entities classified as “M” or medium (中型), “S” or small (小型), or “XS” or extra small (微型), on Qichacha (企查查), excluding companies listed on the Beijing, Shanghai, Shenzhen and/or Hong Kong Stock Exchanges.

We believe the prolonged settlement of receivables to be in line with market practice in China. As more fully set forth under “Business – Our Customers – General Terms of Contracts with Customers”, a small number of customers contribute a large percentage of our revenues. For example, in 2023, the top 1% of our active registered paying customers accounted for 97.3% of our revenue. These customers typically have stronger bargaining power and may request that they settle payment at a later period. It is also often to our strategic interests to accommodate requests for extended period of settlement, as these customers enhance our ability to keep abreast of industry trends and business opportunities.

For the reasons set forth below, our Directors are of the view, and the Sponsor concurs, that there is minimal risk of non-recoverability of our unbilled receivables, and that sufficient provision has been made:

We measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and calculate ECLs based on lifetime ECLs individually or collectively using a provision matrix with appropriate groupings. Our provision matrix is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

With respect to our unsettled receivables as of the Latest Practicable Date, based on the ECL allowance principles set forth herein, we have made impairment loss allowances depending on the circumstances surrounding the counterparty and the nature of the receivables.

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For example, we made an impairment loss allowance of the full amount of the receivables for a counterparty that had gone bankrupt. We made partial impairment loss allowances for various SOE customers that will settle with us once their customers have settled with them, which they expect to occur within the year.

Prepayments, Deposits and Other Receivables

The table below sets forth an analysis of our current portion of prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Deposits and other receivables	3,048	4,612	2,201
Prepayments	18,302	55,146	70,339
Prepaid [REDACTED] expenses and deferred issue costs	[REDACTED]	[REDACTED]	[REDACTED]
	21,350	59,758	78,937
Less: impairment loss allowance	(1,029)	(292)	(194)
Total	20,321	59,466	78,743

Our current deposits and other receivables primarily consisted of our prepaid input VAT, bidding deposits, and advancements to employees in daily operations. Our current deposits and other receivables increased by 51.3% from RMB3.0 million as of December 31, 2021 to RMB4.6 million as of December 31, 2022, primarily because we made additional deposits in relation to our bidding activities. Our current deposits and other receivables decreased by 52.3% to RMB2.2 million as of December 31, 2023 primarily due to an increase in our prepaid taxes.

Our current prepayments primarily consisted of prepayments to suppliers. Our current prepayments increased significantly from RMB18.3 million as of December 31, 2021 to RMB55.1 million as of December 31, 2022, and further increased by 27.6% to RMB70.3 million as of December 31, 2023. The increase in our current prepayments was primarily because as we continued to grow our API marketplace business and gain customers with demand for high-quality services, we made more prepayments to suppliers in order to accelerate the settlement of payables to ensure that we receive a steady supply of data services and strengthen our relationships with suppliers. We had prepaid [REDACTED] expenses and deferred issue costs of RMB[REDACTED] in relation to our [REDACTED] and [REDACTED] as of December 31, 2023.

As of the Latest Practicable Date, RMB45.7 million, or 58.1% of our prepayments, deposits and other receivables as of December 31, 2023, had been settled.

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Contract Assets

Our contract assets arising from data management solutions relate to our rights to consideration for work completed during the project warranty and maintenance period of usually one year after delivery. Our contract assets increased significantly from RMB1.1 million as of December 31, 2021 to RMB4.0 million as of December 31, 2022, primarily due to an increase in the total amount of retention money we were entitled to collect as our revenue from data management solutions grew. Our contract assets decreased by 53.3% to RMB1.9 million as of December 31, 2023, primarily because for certain of our data management solution projects, the amount of consideration originally recognized as contract assets was reclassified as trade receivables when these projects reached the end of their warranty and maintenance period. The table below sets forth our contract assets as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Contract assets arising from data management solutions	1,124	4,021	1,873
Less: impairment loss allowance	(7)	(27)	(8)
Total	<u>1,117</u>	<u>3,994</u>	<u>1,865</u>

As of the Latest Practicable Date, 20.9% of our contract assets as of December 31, 2023, had been recognized as trade receivables.

Trade Payables

Our trade payables primarily consist of payables to our suppliers. Our trade suppliers generally grant us a credit period of up to three months from the date of billing. The table below sets forth our trade payables and other as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
API marketplace	9,506	9,195	35,712
Data management solutions	<u>27,944</u>	<u>27,477</u>	<u>25,779</u>
Total	<u>37,450</u>	<u>36,672</u>	<u>61,491</u>

As of December 31, 2021, 2022 and 2023, our trade payables to suppliers for API marketplace accounted for 25.4%, 25.1% and 58.1% of our total trade payables, while our trade payables to our suppliers for data management solutions accounted for 74.6%, 74.9% and 41.9%.

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Our trade payables to suppliers for API marketplace as of December 31, 2023 was significantly higher than as of December 31, 2021 and 2022, primarily due to: (i) the more relaxed payment schedule with our suppliers, mainly attributable to our increased purchases and stronger relationship with suppliers, as well as our good settlement history of payables; (ii) our slower settlement of payables to improve our liquidity and operating cash flow; and (iii) an overall increase in our purchases of data services due to the growth of our query service business.

The table below sets forth an aging analysis of our trade payables:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Within one year	36,389	30,179	50,130
One to two years	775	6,086	7,959
Over two years	286	407	3,402
Total	37,450	36,672	61,491

Our trade payables aged within one year increased by 66.1% from RMB30.2 million in 2022 to RMB50.1 million in 2023, primarily due to an increase in our trade payables to suppliers for API marketplace. Our trade payables aged over two years increased significantly from RMB0.4 million in 2022 to RMB3.4 million in 2023, primarily due to our delay in settlement of payables to our suppliers on certain data management solution projects as we had not yet received payments from our customers on these projects; per the back-to-back payment arrangements in our agreements with such suppliers, our obligation to make payment does not arise until we have received payment from our respective customers. Our trade receivables aged one to two years increased significantly from RMB0.8 million in 2021 to RMB6.1 million, primarily due to our delay in settlement of payables to certain suppliers for data management solutions for the same foregoing reason.

The table below sets forth the number of turnover days for our trade payables for the years indicated:

	Year ended December 31,		
	2021	2022	2023
Trade payables turnover days ⁽¹⁾	95	61	57

(1) Trade payables turnover days equal the average of the opening and closing trade payables balances of the indicated year divided by the cost of sales for the same year and multiplied by 365 days.

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Our trade payables turnover days decreased from 95 days in 2021 to 61 days in 2022, and further decreased to 57 days in 2023, primarily due to our efforts to accelerate the settlement of payables to secure a steady supply of data services, software and hardware from our suppliers.

As of the Latest Practicable Date, RMB20.8 million, or 33.8% of our trade payables as of December 31, 2023, had been settled.

Other Payables and Accruals

The table below sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Deposits received.	130	130	82
Other payables	39	37	22
Other tax payables	2,457	3,785	1,453
Construction costs payable.	15,566	27,205	2,054
Accruals	4,921	8,317	5,934
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Total.	<u>23,113</u>	<u>39,474</u>	<u>19,816</u>

Our construction costs payable were the largest component of our other payables and accruals as of December 31, 2021 and 2022. Fluctuations in our construction costs payable during the Track Record related to our payment schedule based on the construction of our headquarters building and our purchase of furniture, fixtures and office equipment for such building. Our accruals increased significantly from RMB4.9 million as of December 31, 2021 to RMB8.3 million as of December 31, 2022, primarily due to increase in our salaries payable and professional fees payable. Our accruals decreased by 28.7% from RMB8.3 million as of December 31, 2022 to RMB5.9 million as of December 31, 2023, primarily due to our settlement of professional fees payable in relation to our previous listing preparations. We had accrued [REDACTED] expenses of RMB[REDACTED] as of December 31, 2023 in relation to our [REDACTED] and [REDACTED].

As of the Latest Practicable Date, RMB14.6 million, or 73.6% of our other payables and accruals as of December 31, 2023, had been settled.

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Contract Liabilities

Our contract liabilities represent our obligation to transfer services to a customer for which we have received advance consideration from the customer. We receive payments from customers based on billing schedule as established in contracts. The table below sets forth our contract liabilities as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
API marketplace	31,891	26,902	20,491
Data management solutions	19,549	2,790	9,311
Total	<u>51,440</u>	<u>29,692</u>	<u>29,802</u>

Our contract liabilities arising from API marketplace decreased by 15.6% from RMB31.9 million as of December 31, 2021 to RMB26.9 million as of December 31, 2022, and further decreased by 23.8% to RMB20.5 million as of December 31, 2023. The overall decreasing trend in our contract liabilities arising from API marketplace was primarily a reflection of the fact that our pre-paid customers have been utilizing our API services from prepaid consideration while we continued to gain more large post-paid customers.

Our contract liabilities arising from data management solutions decreased by 85.7% from RMB19.5 million as of December 31, 2021 to RMB2.8 million as of December 31, 2022, primarily due to the delivery and acceptance of certain large data management solutions that were yet undelivered as of the end of 2021. Our contract liabilities increased significantly to RMB9.3 million as of December 31, 2023 primarily due to (i) an increase in our number of data management solutions yet to be delivered and accepted at the end of the year; and (ii) certain of our new data management solution projects were short-term in nature, and we received prepayments from these customers.

As of the Latest Practicable Date, RMB3.5 million, or 11.7% of our contract liabilities as of December 31, 2023, had been recognized as revenue.

Lease Liabilities

We lease properties to operate our business. These leases are typically made for a fixed term of two years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

To a lesser extent, we also lease properties with a term of less than one year. These leases are short-term and we have elected not to recognize right-of-use assets and lease liabilities for these leases. For details of our lease liabilities during the Track Record Period, see “– Indebtedness”.

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Repurchase Liabilities

Our repurchase liabilities were in relation to our share repurchase obligation under the share transfer agreement signed with China-Singapore Ventures. For details, see “– Indebtedness”. As of December 31, 2021, 2022 and 2023 and January 31, 2024, we had repurchase liabilities of nil, nil, RMB23.0 million and RMB23.2 million, respectively.

NON-CURRENT ASSETS AND LIABILITIES

The table below sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	212,781	233,972	223,466
Intangible assets	118	109	100
Financial assets at FVOCI	88,189	75,954	61,700
Financial assets at FVTPL	–	–	5,245
Prepayments, deposits and other receivables	36	5	40
Deferred tax assets	556	620	545
Total non-current assets	301,680	310,660	291,096
Non-current liabilities			
Lease liabilities	–	22	–
Deferred tax liabilities	11,134	9,306	5,536
Total non-current liabilities	11,134	9,328	5,536

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment consisted mainly of buildings, construction-in-progress, leasehold land, and furniture, fixtures and office equipment. Our property, plant and equipment increased by 10.0% from RMB212.8 million as of December 31, 2021 to RMB234.0 million as of December 31, 2022, primarily due to: (i) an addition of RMB15.9 million in construction-in-progress, which was transferred to buildings upon completion, as the construction of our headquarters building came to completion; (ii) an addition of RMB10.8 million in leasehold improvements; and (iii) an addition of RMB5.6 million in furnitures, fixtures, and office equipment, primarily incurred as we prepared our headquarters building for daily use. Our property, plant and equipment decreased by 4.5% to RMB223.5 million as of December 31, 2023 primarily due to the depreciation and amortization of our headquarters building.

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Financial Assets at FVOCI

Our financial assets at FVOCI represented unlisted equity investments irrevocably designated at fair value through other comprehensive income due to their long-term strategic nature. The table below sets for the financial assets at FVOCI as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Unlisted equity investments, at fair value	88,189	75,954	61,700

The table below sets forth the movements of the unlisted equity investments at level 3 fair value measurement during the Track Record Period:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
At the beginning of the year/period	50,114	88,189	75,954
Fair value changes	38,142	(12,400)	(14,266)
Exchange difference	(67)	165	12
At the end of the year/period	<u>88,189</u>	<u>75,954</u>	<u>61,700</u>

Our financial assets at FVOCI represented unlisted equity investments irrevocably designated at fair value through other comprehensive income due to their nature as long-term strategic instruments. As of December 31, 2021, 2022 and 2023, our financial assets at FVOCI amounted to RMB88.2 million, RMB76.0 million and RMB61.7 million, respectively, as measured at fair values based on the valuation performed by independent professional valuers with fair values being determined based on significant unobservable inputs using valuation techniques. There was no transfer between different levels of the fair value hierarchy or change in valuation technique used during the Track Record Period. The changes in our financial assets at FVOCI during the Track Record Period were caused by fluctuations in the fair value of our unlisted equity investments in Shanghai Fairyland Software Co., Ltd. (上海復深藍軟件股份有限公司), Beijing Tiantian Yuedong Network Technology Co., Ltd. (北京天天悅動網絡技術有限公司), and Stratifyd, Inc. For details, see Note 20 to the Accountants’ Report as set out in Appendix I to this document.

The Reporting Accountant has carried out necessary audit works in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants for the purpose of expressing an opinion on the Group’s historical financial information for the Track Record Period as a whole in Appendix I to this document. The Reporting Accountant’s opinion on the historical financial information of the Group for the Track Record Period is set out on page I-2 of Appendix I to this document.

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We perform the valuation of level 3 financial instruments for financial reporting purposes, taking into account significant unobservable inputs and applicable valuation technique, and manage the valuation exercise of the investments on a case-by-case basis. We carry out independent due diligence procedures on our unlisted equity investments, including taking reasonable steps to verify the accuracy and reasonableness of material company information that is likely to affect the valuation of the assets, such as financial performance and forecasts, total addressable market, competitive advantages, business plans and assumptions; and engage an independent qualified professional valuer to aid our management and directors as to the determination of the fair value of our level 3 instruments. Our Directors are satisfied with the valuation work for financial assets categorized within level 3 of fair value measurement in the historical financial information for the purpose of the preparation of the Accountant’s Report as referred to in Appendix I to this document.

INDEBTEDNESS

The following table sets forth the balance and breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of January 31,
	2021	2022	2023	2024
	(RMB in thousands)			
	(Unaudited)			
Lease liabilities	–	65	–	–
Repurchase liabilities	–	–	23,013	23,211
Total	–	65	23,013	23,211

During the Track Record Period, our borrowings comprised a RMB20.0 million loan obtained and repaid in 2021. As of December 31, 2021, 2022 and 2023 and January 31, 2024, we recognized lease liabilities of nil, RMB65,000, nil and nil, respectively, and repurchase liabilities of nil, nil, RMB23.0 million and RMB23.2 million, respectively. For details on our repurchase liabilities, see Note 41 to the Accountants’ Report in Appendix I to this document.

As of January 31, 2024, being the latest practicable date for determining our indebtedness, we have no unutilized banking facilities.

Except as disclosed above, as of the Latest Practicable Date, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

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Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirm that there has not been any material change in our indebtedness since the Latest Practicable Date and up to the date of this document.

CAPITAL EXPENDITURES

Our historical capital expenditures during the Track Record Period were primarily used for the construction of our headquarters building. We funded our capital expenditures during the Track Record Period mainly from our internal cash resources. Our capital expenditures amounted to RMB65.3 million, RMB32.2 million and RMB1.6 million for 2021, 2022 and 2023, respectively. In 2021, while our headquarters building was still under construction, our capital expenditures were relatively high. Our capital expenditures decreased after the construction of our headquarters building was completed in early 2022. As of the Latest Practicable Date, we did not have any material capital expenditures planned for 2024.

CAPITAL COMMITMENTS

The table below sets forth our capital commitments as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Contracted, but not provided for			
– Construction-in-progress	15,851	–	–
– Office equipment	3,851	–	–
– Leasehold improvements	9,908	–	–
– Financial assets at FVTPL	–	–	13,333
Total	29,610	–	13,333

Our capital commitments in 2021, and 2022 were all related to the construction and preparation of our headquarters building. Hence, after the relocation was completed in January 2022, we did not have any material capital commitments as of December 31, 2022. As of December 31, 2023, our capital commitments comprised financial assets at FVTPL of RMB13.3 million relating to our unlisted debt security.

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RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

We entered into the following related party transactions with related companies during the Track Record Period, on terms mutually agreed upon between us and the related companies:

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Shareholder			
Provision of API marketplace services	26	–	–
Related companies			
Purchase of API marketplace services	1	–	–
Provision of API marketplace services	5,537	4,922	5,056

We are of the view that our transactions with related parties during the Track Record Period were trade in nature and were conducted on an arm’s length basis and with normal commercial terms between the relevant parties. For details, see Note 35 to the Accountants’ Report in Appendix I to this document. We are also of the view that our related party transactions during the Track Record Period will not distort our historical results or make our historical results unreflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet commitments or arrangements.

CONTINGENT LIABILITIES

As of December 31, 2021, 2022 and 2023 and the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any litigation or claims of material importance, pending or threatened against us.

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KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates or for the years indicated:

	Year ended/As of December 31,		
	2021	2022	2023
Revenue growth.	45.8%	26.5%	34.1%
Gross profit margin ⁽¹⁾	34.6%	32.7%	28.3%
Net profit margin ⁽²⁾	17.7%	12.6%	7.9%

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Net profit margin equals profit divided by revenue for the year and multiplied by 100%.

For a discussion of the factors affecting our revenue growth, gross profit margin and net profit margin, see “– Results of Operations”.

DIVIDENDS

We paid RMB20.0 million of dividends to our shareholders in 2021. No dividend has been declared and paid in 2022 and 2023.

We do not have a formal dividend policy or a fixed dividend payout ratio. We may distribute dividends in the future by way of cash or by other means that we consider appropriate. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest Rate Risk

Our interest-bearing financial instruments at variable rates as of December 31, 2021, 2022 and 2023 are the cash at bank and time deposits except for fixed deposits, and the cash flow interest risk arising from the change of market interest rate on these balances of relatively short maturity is not considered significant. Our interest-bearing financial instruments at fixed interest rates as of December 31, 2021, 2022 and 2023 are fixed deposits and the change of market interest rate does not expose us to fair value interest risk. Our Directors consider that our exposure to interest rate risk is not significant and no sensitivity analysis of interest rate risk is presented. For details, see Note 39(a) to the Accountants’ Report in Appendix I to this document.

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Credit Risk

Our credit risk is primarily attributable to our trade receivables, deposits and other receivables and contract assets. Our management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, deposits and other receivables and contract assets, credit evaluations are performed on all debtors. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers and, where appropriate, credit guarantee insurance cover is purchased. Trade receivables are due from the date of billing. Normally, we do not obtain collateral from customers.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. 15.9%, 19.3%, 24.3% of our trade receivables, deposits and other receivables and 38.2%, 40.5%, 58.1% of our contract assets was due from our largest customer and the five largest customers, respectively, as of December 31, 2021, 2022 and 2023, respectively. For details, see Note 39(b) to the Accountants’ Report in Appendix I to this document.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with our directors, who have built an appropriate liquidity risk management framework for the management of our short, medium and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate reserves. For details, see Note 39(c) to the Accountants’ Report in Appendix I to this document.

Equity Price Risk

The table below sets out the sensitivity of the carrying amount of financial assets at FVOCI and FVTPL during the Track Record Period to a change in the significant unobservable inputs while all other variable held constant. A positive number below indicates an increase in total comprehensive income for the year/period. For a decrease in total comprehensive income for the year, the balance below would be negative. For details, see Note 39(d) to the Accountants’ Report in Appendix I to this document.

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
10% higher in the fair value of the investment.	7,531	6,473	5,252
10% lower in the fair value of the investment	(7,531)	(6,473)	(5,252)

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Foreign Currency Risk

Currency risk refers to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our currency risk is minimal as most of our transactions are carried out in functional currency of the respective entities.

DISTRIBUTABLE RESERVES

As of December 31, 2023, our Company had a distributable reserve of RMB90.5 million.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

We confirm that, as of the Latest Practicable Date, we are not aware of any circumstances that would give rise to disclosures required under Rules 13.13 to 13.19 of Chapter 13 of the Hong Kong Listing Rules.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately RMB[REDACTED] million (assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED]) accounting for approximately [REDACTED] of our [REDACTED], of which approximately RMB[REDACTED] million is directly attributable to the issue of our [REDACTED] and will be deducted from equity, approximately RMB[REDACTED] million has been expensed in our consolidated statements of profit or loss during the Track Record Period and approximately RMB[REDACTED] million is expected to be expensed after the Track Record Period. Our estimated [REDACTED] expenses include: (i) [REDACTED]-related expenses, representing [REDACTED] and fees of approximately RMB[REDACTED] million; (ii) Sponsor fee of approximately RMB[REDACTED] million; and (iii) [REDACTED]-related expenses, comprising professional fees to the legal advisors, Reporting Accountant and other professionals of approximately RMB[REDACTED] million for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses of approximately RMB[REDACTED] million. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business – Our Strategies” for a detailed description of our future plans.

[REDACTED]

We estimate that the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million after deducting [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], based on the [REDACTED] of HK\$[REDACTED] per H Share:

We intend to use the [REDACTED] we will receive from the [REDACTED] for the following purposes.

- Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to comprehensively upgrade the existing suite of APIs in our API marketplace, in order to seize the significant opportunities arising from the opening and authorized operations of government and public data, which may create opportunities for future growth. In particular,
 - (i) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to enhance the carrying capacity of high-performance API gateway and further improve the infrastructure for API marketplace, preparing to seize significant opportunities arising from the increased government and public data opening, as well as the growing industrial trend of data factor circulation. This will enhance data privacy and security and meet the high-concurrency and short response time requirements of massive data transmission. Our efforts to enhance the carrying capacity of high-performance API gateways and infrastructure are expected to improve the data privacy and security of data transmission from the following perspectives: to avoid reliance on a single geographic node or cloud platform, reducing the risk of service interruption; it will ensure data consistency across nodes; to enhance the security system of the high-performance API gateways; to promote the even distribution of traffic across API gateways; to add security audit tools that provide real-time monitoring, log recording, and alert features. In addition, we will use the [REDACTED] to recruit and train professionals to maintain, operate, configure, monitor and develop high-performance API gateways, systems and hardware which we plan to possess. The [REDACTED] used to enhance the carrying capacity of high-performance API gateways and further improve the infrastructure for API marketplace will be used to invest in construction and upgrading of equipment and facilities, such as site renovation in the next two years, procurement of hardware and software in the next three years, and upgrade of server room equipment in the next three years, as well as continuous development of API testing platforms and API docking platforms, providing professional API testing services for developers. We believe this will enrich our API marketplace ecosystem, form a complete API

FUTURE PLANS AND [REDACTED]

industry chain, improve customer experience, increase the frequency of their usage and enhance customer stickiness and loyalty. We also aim to expand our customer base and monetize our subscription services.

- (ii) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to attract, cultivate, and retain experienced core technical talents within the industry through competitive compensation to enhance our R&D capabilities. See “Business – Our Strategies – Enhancing R&D Capabilities”. In the next three years, we intend to recruit no more than 100 R&D employees including mid-level managerial personnel and engineers.
- (iii) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to enhance our sales and marketing capability, including the recruitment of sales staff and the creation of related workplace for the sales team. The current structure of our sales and marketing team is relatively lean, and in view of the rapid growth of our business, we will need more personnel to support our sales and marketing efforts for API marketplace. For the next three years, we plan to hire approximately 50 market planning specialists, business development professionals, market research specialists, and sales representatives. The sales staff will mainly be responsible for product promotion, maintaining customer relationships and sales channels, as well as enhancing our brand awareness through strengthened marketing efforts. We also plan to use the proceeds for marketing expenses online and offline in the next three years.
- Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to upgrade our existing products and services of our data management solutions. This aims to develop and expand industry-specific applications, strengthening our technical capabilities and market competitiveness in data management solutions. We plan to recruit no more than 100 sales employees and market planning specialists in the next three years. We plan to use the proceeds for marketing expenses online and offline in the next three years. We will recruit a total of approximately 300 employees including project managers, engineers, designers, research employees and other delivery personnel in the next three years. Specifically, we plan to allocate:
 - (i) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to enhance our sales capabilities, expanding and diversifying our sales channel nationwide:
 - (a) [REDACTED] will be used to partner with big data operating platforms, establish local subsidiaries and branch offices, and build relationships with local customers and business partners. We plan to further intensify our penetration of the sales teams in large cities. We believe there is a significant unmet demand for data management solutions and digital transformation in these cities.

FUTURE PLANS AND [REDACTED]

- (b) [REDACTED] will be used to provide competitive compensation and regular job training for our sales staff, as well as to create workplaces for the sales team for our data management solutions. This includes renting local office spaces, purchasing equipment, software, and tools for our sales team.
 - (c) [REDACTED] will be used for online and offline brand building, actively organizing and participating in various industry activities, such as industry forums, seminars, and solution exhibitions, to strengthen relationships with customers and to expand our influence. We also expect to invest in online sales and marketing channels, including strategically placing advertisements on professional and social networking platforms.
- (ii) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to upgrade and expand our technology advantages and scalability of our products to meet the digital transformation process of customers and enhance our technical competitiveness. See “Business – Our Strategies – Enhancing R&D Capabilities”. We plan to make investments in site renovation in the next two years. We plan to purchase software and hardware including computers and their accessories in the next three years.
- (iii) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used for product delivery, further enhancing the products’ reusability, continuously expanding the service types of our services and solutions for government, enterprise and industrial customers. We plan to expand the size of our product delivery and customer service team, including hiring project delivery directors, intermediate and senior project managers, operation and maintenance engineers, DevOps engineers, RPA implementation engineers, and customer service managers.
- Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED], will be used to research and develop the technologies for data security and privacy protection, building a comprehensive ecosystem for digital ownership, secure data storage, trusted data transmission, and collaborative production. This aims to enhance our operational capabilities and provide secure, trusted, and traceable technical support for data circulation. Specifically:
 - (i) Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED] will be used for developing privacy-preserving computation and blockchain technologies, aiming to overcome technological barriers and meet the data security and privacy protection requirements of API marketplace and data management solutions. We plan to recruit R&D personnel for *AnchorChain* in connection with blockchain technologies and *SmartShield* in connection with privacy-preserving computation. Specifically, for the research related to *AnchorChain*, the hiring will include positions such

FUTURE PLANS AND [REDACTED]

as managers and engineers, etc., and will be no more than 50 employees. For the research related to *SmartShield*, the hiring will include positions such as product managers, engineers and designers, and will be approximately 50 employees.

- (ii) Approximately HK\$[REDACTED] million, representing [REDACTED] will be used for project site renovation and server room upgrades at our headquarters building, including renovation of office space and procurement of software and hardware. We will make investments in site renovation in the next two years and purchase software and hardware including computers and their accessories in the next three years.
- Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED] will be invested or used in the next three to five years to invest in or acquire stakes in, or establish joint ventures with, industry upstream and downstream data service providers to build business ecosystem and increase market share. We will also consider carrying out acquisitions of assets and businesses or joint ventures that can enhance our value proposition data circulation. We plan to select suitable corporate organizations focusing on data applications in certain industries, organizations with data sources and developer communities. With respect to corporate organizations focusing on data applications in certain industries, we intend to find targets that can broaden our sales channels for data management solutions which can enjoy high demand in an industry. For example, for a recent product, Digital Police Officer (數字戰警), we will try to find a suitable target who has sales channels with local police departments to promote this product. In regard to organizations with data sources, we intend to invest in or acquire market-oriented data platforms and government data resources. Furthermore, we plan to acquire assets such as developer communities to expand our customer base for paid products and services.

We believe there are many potential targets in China. Through our future investments and acquisitions, we will be dedicated to promoting the growth of our customer base, and to further diversify high-quality data sources to serve more customers. Our enriched data service offerings will allow customers to access more diverse data conveniently, which bridges data silos and promotes data circulation. Additionally, by investing in and acquiring targets with sales channels, data sources and developer communities, we will gain more knowledge and insights about different players in the data industry, which will create the potential to develop more products and services. We believe this will contribute to the enhancement of our business ecosystem. As of the Latest Practicable Date, we have not identified specific investment or acquisition targets, nor have we entered into any definitive investment or acquisition agreements. See “Business – Our Strategies – Strategic Acquisitions and Joint Ventures to Pursue Leadership”.

FUTURE PLANS AND [REDACTED]

- Approximately HK\$[REDACTED] million, representing [REDACTED] of the [REDACTED] will be used for working capital and general corporate purposes.

If the [REDACTED] from the [REDACTED] are not needed for the above purposes immediately, or if we are unable to implement any part of our development plan as planned, we may deposit such [REDACTED] into short-term deposits at licensed commercial banks and/or other authorised financial institutions (in Hong Kong as defined under the Securities and Futures Ordinance/the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits) when we deem it in the best interests of us. In such event, we will comply with the applicable disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TIANJU DIHE (SUZHOU) TECHNOLOGY CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Tianju Dihe (Suzhou) Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages I-[4] to I-[84], which comprises the consolidated statements of financial position as of December 31, 2021, 2022 and 2023 and the statements of financial position of the Company as of December 31, 2021, 2022 and 2023, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2021, 2022 and 2023 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[4] to I-[84] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “**Document**”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ Responsibility For The Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants’ Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order

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ACCOUNTANTS' REPORT

to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as of December 31, 2021, 2022 and 2023, the Company's financial position as of December 31, 2021, 2022 and 2023, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

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REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about dividends declared and paid by the Company in respect of the Track Record Period.

[BDO Limited]

Certified Public Accountants

Practising Certificate no.

Hong Kong

[Date]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting standards (“**IFRSs**”) issued by International Accounting Standards Board (“**IASB**”) and were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		
		2021 RMB'000	2022 RMB'000	2023 RMB'000
REVENUE	7	260,011	328,936	441,083
Cost of sales		(170,099)	(221,382)	(316,431)
Gross profit		89,912	107,554	124,652
Other income and other gains, net	8	16,903	11,019	10,704
Selling and distribution expenses		(15,449)	(14,378)	(12,530)
Research and development costs		(16,875)	(26,345)	(24,250)
Administrative and other expenses		(20,490)	(32,025)	(27,518)
Impairment loss on financial and contract assets, net	10	(418)	(1,068)	(9,915)
Finance costs	9	(154)	(1)	(1,014)
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]
PROFIT BEFORE TAX	10	53,429	44,756	37,775
Income tax expense	11	(7,463)	(3,472)	(2,714)
PROFIT FOR THE YEAR		45,966	41,284	35,061
OTHER COMPREHENSIVE INCOME/(EXPENSE)				
Item that may be subsequently reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		(251)	853	224
Item that will not be reclassified to profit or loss:				
Changes in fair value of financial assets at fair value through other comprehensive income (“FVOCI”), net of tax		32,242	(10,740)	(12,265)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX		31,991	(9,887)	(12,041)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77,957	31,397	23,020
Profit/(loss) for the year attributable to:				
Owners of the Company		46,011	41,249	34,751
Non-controlling interests		(45)	35	310
		45,966	41,284	35,061
Total comprehensive income/(expenses) for the year attributable to:				
Owners of the Company		78,002	31,362	22,710
Non-controlling interests		(45)	35	310
		77,957	31,397	23,020
Earnings per share (RMB) attributable to owners of the Company				
Basic and diluted	13	1.02	0.91	0.77

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As of December 31,		
		2021	2022	2023
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	15	212,781	233,972	223,466
Intangible assets	17	118	109	100
Financial assets at FVOCI	20	88,189	75,954	61,700
Financial assets at fair value through profit or loss (“FVTPL”)	25	–	–	5,245
Prepayments	22	36	5	40
Deferred tax assets	18	556	620	545
Total non-current assets		<u>301,680</u>	<u>310,660</u>	<u>291,096</u>
Current assets				
Inventories	19	21,533	12,454	20,850
Financial assets at FVTPL	25	103,066	35,155	–
Trade receivables	21	91,203	123,973	175,077
Prepayments, deposits and other receivables	22	20,321	59,466	78,743
Contract assets	23	1,117	3,994	1,865
Cash and cash equivalents	24	182,287	168,470	124,417
Time deposits	24	–	30,000	80,000
Tax recoverable		–	–	11
Total current assets		<u>419,527</u>	<u>433,512</u>	<u>480,963</u>
Current liabilities				
Trade payables	26	37,450	36,672	61,491
Other payables and accruals	27	23,113	39,474	19,816
Contract liabilities	23	51,440	29,692	29,802
Lease liabilities	28	–	43	–
Repurchase liabilities	41	–	–	23,013
Income tax payable		2,947	2,008	3,984
Total current liabilities		<u>114,950</u>	<u>107,889</u>	<u>138,106</u>
Net current assets		<u>304,577</u>	<u>325,623</u>	<u>342,857</u>

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		As of December 31,		
	<i>Notes</i>	2021	2022	2023
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>606,257</u>	<u>636,283</u>	<u>633,953</u>
Non-current liabilities				
Lease liabilities	28	–	22	–
Deferred tax liabilities	18	<u>11,134</u>	<u>9,306</u>	<u>5,536</u>
Total non-current liabilities		<u>11,134</u>	<u>9,328</u>	<u>5,536</u>
Net assets		<u><u>595,123</u></u>	<u><u>626,955</u></u>	<u><u>628,417</u></u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	29	45,300	45,300	45,300
Reserves	30	<u>550,215</u>	<u>582,012</u>	<u>583,164</u>
		595,515	627,312	628,464
Non-controlling interests	31	<u>(392)</u>	<u>(357)</u>	<u>(47)</u>
TOTAL EQUITY		<u><u>595,123</u></u>	<u><u>626,955</u></u>	<u><u>628,417</u></u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As of December 31,		
	<i>Notes</i>	2021	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	<i>15</i>	211,580	232,922	222,556
Investments in subsidiaries	<i>16</i>	100,062	104,321	106,393
Intangible assets	<i>17</i>	118	109	100
Financial assets at FVOCI	<i>20</i>	85,882	74,819	61,176
Financial assets at FVTPL	<i>25</i>	–	–	5,245
Total non-current assets		<u>397,642</u>	<u>412,171</u>	<u>395,470</u>
Current assets				
Inventories	<i>19</i>	21,265	10,388	20,424
Financial assets at FVTPL	<i>25</i>	–	25,155	–
Trade receivables	<i>21</i>	89,479	117,105	168,481
Prepayments, deposits and other receivables	<i>22</i>	11,224	36,409	44,593
Amounts due from subsidiaries	<i>32</i>	130,015	21,359	6,037
Contract assets	<i>23</i>	1,117	3,994	1,865
Cash and cash equivalents	<i>24</i>	142,797	130,733	90,585
Time deposits	<i>24</i>	–	30,000	80,000
Total current assets		<u>395,897</u>	<u>375,143</u>	<u>411,985</u>
Current liabilities				
Trade payables	<i>26</i>	36,275	31,218	57,096
Amounts due to subsidiaries	<i>32</i>	83,863	56,306	47,525
Other payables and accruals	<i>27</i>	22,096	38,146	19,074
Contract liabilities	<i>23</i>	44,523	25,329	26,367
Lease liabilities	<i>28</i>	–	43	–
Repurchase liabilities	<i>41</i>	–	–	23,013
Income tax payable		2,757	1,810	3,786
Total current liabilities		<u>189,514</u>	<u>152,852</u>	<u>176,861</u>
Net current assets		<u>206,383</u>	<u>222,291</u>	<u>235,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>604,025</u>	<u>634,462</u>	<u>630,594</u>
Non-current liabilities				
Lease liabilities	<i>28</i>	–	22	–
Deferred tax liabilities	<i>18</i>	11,095	9,306	5,536
Total non-current liabilities		<u>11,095</u>	<u>9,328</u>	<u>5,536</u>
Net assets		<u>592,930</u>	<u>625,134</u>	<u>625,058</u>
EQUITY				
Share capital	<i>29</i>	45,300	45,300	45,300
Reserves	<i>30</i>	547,630	579,834	579,758
TOTAL EQUITY		<u>592,930</u>	<u>625,134</u>	<u>625,058</u>

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ACCOUNTANTS’ REPORT

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Share premium*	Capital reserve*	FVOCI reserve*	Translation reserve*	Statutory reserve*	Retained earnings*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(Note 29)	(Note 30(a))	(Note 30(b))	(Note 30(c))	(Note 30(d))	(Note 30(e))	(Note 30(f))	(Note 31)		
At January 1, 2021	45,300	426,720	67	31,053	(318)	8,017	26,274	537,113	(347)	536,766
Profit/(loss) for the year	-	-	-	-	-	-	46,011	46,011	(45)	45,966
Exchange differences on translation of foreign operations	-	-	-	-	(251)	-	-	(251)	-	(251)
Changes in fair value of financial assets at FVOCI, net of tax	-	-	-	32,242	-	-	-	32,242	-	32,242
Total comprehensive income/(expense) for the year	-	-	-	32,242	(251)	-	46,011	78,002	(45)	77,957
Equity-settled share-based transactions (Note 36)	-	-	400	-	-	-	-	400	-	400
Dividend declared (Note 12)	-	-	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Transfer of retained earnings	-	-	-	-	-	4,625	(4,625)	-	-	-
Balance at December 31, 2021	45,300	426,720	467	63,295	(569)	12,642	47,660	595,515	(392)	595,123

* These reserve accounts comprise the consolidated reserves as of December 31, 2021, 2022 and 2023 in the consolidated statements of financial position.

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ACCOUNTANTS’ REPORT

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Share premium*	Capital reserve*	FVOCI reserve*	Translation reserve*	Statutory reserve*	Retained earnings*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(Note 29)	(Note 30(a))	(Note 30(b))	(Note 30(c))	(Note 30(d))	(Note 30(e))	(Note 30(f))	(Note 31)		
Balance at January 1, 2022	45,300	426,720	467	63,295	(569)	12,642	47,660	595,515	(392)	595,123
Profit for the year	-	-	-	-	-	-	41,249	41,249	35	41,284
Exchange differences on translation of foreign operations	-	-	-	-	853	-	-	853	-	853
Changes in fair value of financial assets at FVOCI, net of tax	-	-	-	(10,740)	-	-	-	(10,740)	-	(10,740)
Total comprehensive (expense)/income for the year	-	-	-	(10,740)	853	-	41,249	31,362	35	31,397
Equity-settled share-based transactions (Note 36)	-	-	435	-	-	-	-	435	-	435
Transfer of retained earnings	-	-	-	-	-	3,982	(3,982)	-	-	-
Balance at December 31, 2022	45,300	426,720	902	52,555	284	16,624	84,927	627,312	(357)	626,955

* These reserve accounts comprise the consolidated reserves as of December 31, 2021, 2022 and 2023 in the consolidated statements of financial position.

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	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Share premium*	Capital reserve*	FVOCI reserve*	Translation reserve*	Statutory reserve*	Retained earnings*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(Note 29)	(Note 30(a))	(Note 30(b))	(Note 30(c))	(Note 30(d))	(Note 30(e))	(Note 30(f))	(Note 31)		
Balance at January 1, 2023	45,300	426,720	902	52,555	284	16,624	84,927	627,312	(357)	626,955
Profit for the year	-	-	-	-	-	-	34,751	34,751	310	35,061
Exchange differences on translation of foreign operations	-	-	-	-	224	-	-	224	-	224
Changes in fair value of financial assets at FVOCI, net of tax	-	-	-	(12,265)	-	-	-	(12,265)	-	(12,265)
Total comprehensive (expense)/income for the year	-	-	-	(12,265)	224	-	34,751	22,710	310	23,020
Equity-settled share-based transactions (Note 36)	-	-	442	-	-	-	-	442	-	442
Deemed distribution to a shareholder (Note 41)	-	-	-	-	-	-	(22,000)	(22,000)	-	(22,000)
Transfer of retained earnings	-	-	-	-	-	1,416	(1,416)	-	-	-
Balance at December 31, 2023	45,300	426,720	1,344	40,290	508	18,040	96,262	628,464	(47)	628,417

* These reserve accounts comprise the consolidated reserves as of December 31, 2021, 2022 and 2023 in the consolidated statements of financial position.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities			
Profit before tax	53,429	44,756	37,775
Adjustments for:			
Depreciation of property, plant and equipment	4,062	10,974	11,678
Amortization of intangible assets	9	9	9
Finance costs	154	1	1,014
Interest income	(1,922)	(1,356)	(2,469)
Loss/(gain) on disposal/written off of property, plant and equipment	51	(10)	8
Impairment loss on financial and contract assets, net	418	1,068	9,915
Fair value (gain)/loss on financial assets at FVTPL	(7,316)	(3,384)	460
Equity-settled share-based payments	400	435	442
Dividend income	(15)	(234)	–
	<hr/>	<hr/>	<hr/>
Operating profit before working capital changes	49,270	52,259	58,832
(Increase)/decrease in inventories	(17,216)	9,198	(8,060)
Increase in trade receivables	(28,553)	(34,545)	(61,136)
Increase in prepayments, deposits and other receivables	(10,082)	(38,387)	(15,363)
(Increase)/decrease in contract assets	(1,079)	(2,897)	2,148
(Decrease)/increase in trade payables	(13,516)	(778)	24,819
(Decrease)/increase in other payables and accruals	(1,515)	4,722	5,493
(Decrease)/increase in contract liabilities	(8,435)	(21,748)	110
	<hr/>	<hr/>	<hr/>
Cash (used in)/from operations	(31,126)	(32,176)	6,843
Income tax paid	(2,705)	(9,544)	(4,435)
Income tax refund	35	4,901	2,037
	<hr/>	<hr/>	<hr/>
<i>Net cash (used in)/from operating activities</i>	<u>(33,796)</u>	<u>(36,819)</u>	<u>4,445</u>

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	Year ended December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment	(72,831)	(20,584)	(26,708)
Proceeds from disposal of property, plant and equipment	16	34	9
Purchase of financial assets at FVTPL	(298,525)	(390,000)	(151,667)
Proceeds from disposal of financial assets at FVTPL	202,775	461,295	181,117
Interest received	1,922	1,356	2,469
Placement of time deposits	–	(30,000)	(130,000)
Withdrawal of time deposits	–	–	80,000
Dividend income	15	234	–
	<u> </u>	<u> </u>	<u> </u>
<i>Net cash (used in)/from investing activities</i>	<u>(166,628)</u>	<u>22,335</u>	<u>(44,780)</u>
Cash flows from financing activities			
Proceeds from bank borrowings	20,000	–	–
Repayments of bank borrowings	(20,000)	–	–
Interest paid	(145)	–	–
Repayments of principal portion of lease liabilities	(787)	(21)	(32)
Repayments of interest portion of lease liabilities	(9)	(1)	(1)
Dividend paid	(20,000)	–	–
Payments for [REDACTED] expenses	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Net cash used in financing activities</i>	<u>(20,941)</u>	<u>(22)</u>	<u>(3,884)</u>
Net decrease in cash and cash equivalents	(221,365)	(14,506)	(44,219)
Cash and cash equivalents at the beginning of the year	403,836	182,287	168,470
Exchange differences on translating cash flows of foreign operations	(184)	689	166
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the year	<u>182,287</u>	<u>168,470</u>	<u>124,417</u>

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Tianju Dihe (Suzhou) Technology Co., Ltd. (the “**Company**”) is a limited liability company incorporated in the People’s Republic of China (the “**PRC**”) on February 25, 2010. The registered office address and the principal place of business of the Company is located at 16/F, No. 9 Rongfu Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC.

The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in the provision of application programming interfaces (“**API**”) marketplace and data management solutions in the PRC.

Mr. Zuo Lei is the largest shareholder of the Company.

Particulars of the Company’s subsidiaries at the date of this report are as follows:

Name of subsidiaries	Notes	Date and place of incorporation/ establishment	Place of operation	Issued and fully paid capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Suzhou Tianju Renhe Technology Co., Ltd. (“ Tianju Renhe ”)* (蘇州天聚人合科技有限公司) (formerly known as 珠海阿里淘卡網絡技術有限公司)	1	September 7, 2009, the PRC	The PRC	Registered capital of RMB10,000,000	100.00%	–	Software and information technology service
Beijing Juli Wanhe Management Consulting Co., Ltd.* (北京聚力萬合管理諮詢有限公司)	2	April 22, 2015, the PRC	The PRC	Registered capital of RMB50,000	100.00%	–	Software and information technology service
Juhe Data HK Limited	3	January 7, 2016, Hong Kong	Hong Kong	Issued and fully paid up capital of USD1,000,000	100.00%	–	Investment holding
Beijing Sidike Technology Co., Ltd.* (北京斯蒂克科技有限公司)	2	January 8, 2015, the PRC	The PRC	Registered capital of RMB1,111,100	85.50%	–	Technology promotion and application service
Suzhou Zhonghui Juhe Information Technology Co., Ltd.* (“ Zhonghui Juhe ”) (蘇州眾匯聚合信息科技有限公司)	2	November 16, 2016, the PRC	The PRC	Registered capital of RMB5,000,000	60.00%	–	Software and information technology service
Wuhan Jushunhe Technology Co., Ltd.* (武漢聚順合科技有限公司)	2	August 9, 2021, the PRC	The PRC	Registered capital of RMB3,000,000	51.00%	–	Technology promotion and application service

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Name of subsidiaries	Notes	Date and place of incorporation/ establishment	Place of operation	Issued and fully paid capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Suzhou Tianju Daohe Technology Co., Ltd.*# (蘇州天聚道合科技有限公司)	2	December 12, 2019, the PRC	The PRC	Registered capital of RMB5,000,000	–	–	Software and information technology service
Suzhou Tianju Xinghe Technology Co., Ltd.* (“Tianju Xinghe”) (蘇州天聚星合科技有限公司)	2	December 3, 2019, the PRC	The PRC	Registered capital of RMB5,000,000	–	100%	Software and information technology service

- (1) No statutory financial statements have been prepared for this entity for the years ended December 31, 2021, 2022 and 2023 as there were no statutory requirement for preparing statutory financial statements.
- (2) No statutory financial statements have been prepared for these entities since incorporation, as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdictions of incorporation.
- (3) The statutory financial statements of this subsidiary for the years ended December 31, 2021, 2022 and 2023 prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants were audited by Raymond C W Tam & Co., certified public accountants registered in Hong Kong.
- (4) None of the subsidiaries had issued any debt securities for each of the years ended December 31, 2021, 2022 and 2023 (the “**Track Record Period**”).

* The English translation of terms or names in Chinese which are marked with “*” is for identification purposes only. In the event of any inconsistency, the Chinese terms or names shall prevail.

Suzhou Tianju Daohe Technology Co., Ltd. was dissolved due to cessation of business on April 17, 2023.

For the purpose of the Historical Financial Information of this report, the directors of the Company have prepared the Underlying Financial Statements in accordance with the basis of preparation set out in Note 2 below and accounting policies set out in Note 4 below which conform with IFRS Accounting Standards (“**IFRSs**”) issued by International Accounting Standards Board (the “**IASB**”).

The Historical Financial Information has been prepared from the Underlying Financial Statements, with no adjustments made thereon.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Historical Financial Information has been prepared based on accounting policies set out in Note 4 which confirm with IFRSs, which includes, IFRSs, International Accounting Standard (“**IAS**”) and the related interpretations issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

For the purpose of preparing and presenting the Historical Financial Information, all relevant standards, amendments and interpretations to the IFRSs that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

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The preparation of the Historical Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 5 below.

2.2 Basis of measurement

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the material accounting policies set out below.

2.3 Functional and presentation currency

The Historical Financial Information is presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

3. REVISED IFRSs ISSUED BUT NOT YET EFFECTIVE

The following revised IFRSs, potentially relevant to the Historical Financial Information, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ¹
Amendments to IAS 21	Lack of Exchangeability ²
Amendments to IFRS 16	Leases Liability in a Sale and Leaseback ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

1 Effective for annual periods beginning on or after January 1, 2024

2 Effective for annual periods beginning on or after January 1, 2025

3 No mandatory effective date yet determined but available for adoption

The directors of the Company do not anticipate that the adoption of the revised IFRSs in future periods will have any material impact on the Historical Financial Information in future periods.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries) comprising the Group for the Track Record Period.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

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All intra-group transactions, balances and unrealized gains on transactions have been eliminated in full on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Adjustments are made to the financial statements of subsidiaries where necessary to ensure consistency with the policies adopted by the Group.

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statements of financial position, investment in a subsidiary is stated at cost less impairment loss, if any. The results of subsidiary are accounted for by the Company on the basis of dividend received and receivable.

4.3 Revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or service.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(i) *API marketplace*

Revenue from the service provided to customers includes query, short messaging service ("SMS") notice and top-up. Revenue is recognized at point in time when relevant services are fulfilled. For contracts that are charged based on usage and unit price, the Group recognizes revenue based on the actual usage and agreed unit price of the current period. For sales contracts with fixed contract periods, the Group recognizes revenue over time on a periodic basis during the contract period, based on the total contract amount.

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(ii) Data management solutions

The Group provides an array of data management solutions for government and corporate organizations to enable them to systematically and securely digitize, manage, share and derive insights from data within and across organizations. Revenue is recognized at a point in time when the software platform and related services are delivered to and accepted by the customer. The Group also provides related maintenance and upgrade services for a specific period after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognized over the service period.

(iii) Principal versus agent consideration in revenue recognition

The determination of whether revenue shall be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. If the Group provides significant integration service to the hardware and is responsible for the overall management of the contract, the Group is the principal in the transaction and recognizes revenue in the gross amount of consideration to which it is entitled from the customer. The Group reports the amount received from the customers and the amounts paid to the suppliers related to these transactions on a net basis if the Group is not primarily obligated in a transaction, does not generally bear the inventory risk and does not have the ability to establish the price.

(iv) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. Contract asset is recognized when the customers retain retention money to secure the due performance of the contracts. Contract assets are assessed for expected credit losses ("ECLs") in accordance with the policy set out in Note 4.10(b). Loss allowance for contract assets is measured at an amount equal to lifetime ECLs. ECLs on contract assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the customers and an assessment of both the current and forecast general economic conditions at the reporting date. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which the milestones are reached. If the considerations (including advances received from customers) exceed the revenue recognized to date, then the Group recognizes a contract liability for the difference.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

(v) Contract costs

The Group recognizes an asset from the costs incurred to fulfill a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognized is subsequently amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(vi) Other income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

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4.4 Property, plant and equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs such as repairs and maintenance are recognized as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their costs net of estimated residual values over their estimated useful lives on straight-line method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold land	Over the lease term
Buildings	20-30 years
Leasehold improvements	Over shorter of lease term or 5-10 years
Motor vehicles	4 years
Furniture, fixtures and office equipment	3-10 years
Other properties leased for own use	Over the lease term

Construction-in-progress is stated at cost less any impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to the appropriate classes of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognized in profit or loss on disposal.

4.5 Inventories

Inventories are referred to purchased hardware and components and contract fulfillment cost. Inventories are stated at the lower of cost and net realizable value. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

4.6 Leases

All leases are required to be capitalized in the consolidated statements of financial position/statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalize (i) leases for which the underlying asset is of low-value; and/or (ii) leases which are short-term leases. The Group has elected not to recognize right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

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Accounting as a lessee

Right-of-use asset

The right-of-use asset is recognized at cost and comprises: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term on a straight-line basis. The right-of-use assets are presented within the same line item of property, plant and equipment.

4.7 Intangible assets and research and development costs

Intangible assets

Intangible assets acquired separately are initially recognized at cost. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

The amortization expense is recognized in profit or loss. The useful lives and amortization method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortization is provided on a straight-line basis over their useful lives as follows:

Patents	10-20 years
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Intangible assets are tested for impairment as described in Note 4.8.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that directly attributable to the development activities are recognized as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibilities of the prospective product internal use or sale;
- (ii) sufficient technical, financial and other resources are available for completion;
- (iii) there is intention to complete the intangible asset and use or sell it;
- (iv) the Group's ability to use or sell the intangible asset is demonstrated;
- (v) the intangible asset will generate probable economic benefits through internal use or sale; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Capitalized development costs are amortized over the periods the Group expects to benefit from using or selling the products developed.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are expensed as incurred.

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4.8 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognized no longer exists or may have decreased:

- Property, plant and equipment, including right-of-use assets;
- Investments in subsidiaries; and
- Intangible assets.

Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (ie. cash generating units ("CGUs")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the impairment loss is treated as a revaluation decrease under that IFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. In respect of assets other than goodwill, reversal of an impairment loss is recognized in profit or loss immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that IFRS. An impairment loss in respect of goodwill is not reversed.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or CGU, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits as well as short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.10 Financial instruments

(a) *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognized in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognized in profit or loss.

(b) *Impairment loss on financial assets*

The Group recognizes loss allowances for ECL on trade receivables, contract assets and financial assets measured at amortized cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs individually or collectively using a provision matrix with appropriate groupings. Provision matrix are based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realizing security (if any is held); or the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- a breach of contract, such as a default or past due event.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(c) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortized cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortized cost

Financial liabilities at amortized cost including trade payables and other payables and accruals are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized in profit or loss.

Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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Repurchase liabilities

A contract that creates a contractual obligation to purchase the Company’s own equity instruments for cash or another financial asset and the issuer does not have the unconditional ability to avoid payment gives rise to a financial liability. The liability is accounted for at the present value of the redemption amount, even if the Group’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The contract itself is an equity instrument and/or the exercise price is variable. Subsequently, changes in the measurement of the gross obligation due to the unwinding of the discount are recognized in profit or loss.

If the contract expires without delivery, the carrying amount of the repurchase liability is reclassified to equity. The Group derecognizes the repurchase liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired.

(d) Effective interest method

Effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(e) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(f) Derecognition

The Group derecognizes a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires.

4.11 Foreign currency translation

Transactions entered into by the group entities in currencies other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized in other comprehensive income, in which case, the exchange differences are also recognized in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into RMB at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the rates ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of each reporting period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity as translation reserve. Exchange differences recognized in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as translation reserve.

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4.12 Income tax

Income taxes for the period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realized or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity in which case the taxes are also recognized in other comprehensive income or when they relate to items recognized directly in equity in which case the taxes are also recognized directly in equity.

4.13 Employee benefits

(a) *Defined contribution retirement plan*

Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government, whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the scheme is to pay the ongoing required contributions under the scheme. Contributions under the scheme are charged to profit or loss as incurred. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions.

(b) *Short-term employee benefits*

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of each annual reporting period in which the employees render the related service. Short-term employee benefits are recognized in the period when the employees render the related service.

(c) *Termination benefits*

Termination benefits are recognized on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

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4.14 Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefit is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.15 Borrowings costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalized as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.16 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

4.17 Share-based payments

The shareholder of the Company operates equity-settled share-based compensation plans and the shares are awarded to employees and directors providing services to the Group.

All services received in exchange for the grant of any share-based compensation are measured at their fair value. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognized as an expense in profit or loss over the vesting period if vesting conditions apply, or recognized as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as an asset, with a corresponding increase in the capital reserve in equity. If vesting conditions apply, the expense is recognized over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when shares granted are vested, the amount previously recognised in capital reserve will be transferred to share premium.

4.18 Related parties

For the purposes of the Historical Financial Information, a party is considered to be related to the Group if:

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

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- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement of financial instruments

The Group's unlisted equity instruments and unlisted debt security are measured at fair values based on the valuation performed by an independent professional valuer with fair values being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. Further disclosures are set out in Note 20 and 25.

Impairment of financial and contract assets

The measurement of the ECLs allowance for financial assets measured at amortized cost and contract assets is an area that requires the use of significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgments, including determining the criteria for significant increase in credit risk, are also required in applying the accounting requirements for measuring ECLs. Details about the judgments and assumptions used in measuring ECLs is set out in Note 4.10(b) and Note 39(b) to the Historical Financial Information. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECLs to be recognized.

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Income taxes and deferred taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the group entities which have tax losses.

Principal versus agent consideration in revenue recognition

Under IFRS 15, whether revenue should be recognized on gross or net basis depends on whether the entity is acting as a principal or an agent in the transaction. The principal is the entity that controls the goods or services before they are transferred to the customer, whereas the agent facilitates the transfer of goods or services between the customer and the principal.

If the entity has control over the goods or services before they are transferred to the customer, whilst indicators include having the discretion to establish the price, bearing inventory risk, and being primarily responsible for fulfilling the performance obligation to the customer, then it is acting as a principal and should recognize revenue on a gross basis. The aforesaid indicators cannot individually conclude whether the entity is acting as a principal or agent in the transaction, but the assessment will be based on several indicators taken as a whole.

If the entity is an agent, instead of a principal, it should recognize revenue on a net basis, which means that the amount recognized as revenue is the commission or fee earned by the entity for facilitating the transfer of goods or services between the customer and the principal.

API marketplace – Query and SMS notice

For the Group's query and SMS notice services, the Group has entered into contractual agreements with its customers to provide them with relevant query information and SMS services, and customers view the Group as the party primarily responsible for fulfilling the performance obligation.

The Group provides value-added services to its customers through its APIs, going beyond the role of a mere intermediary to facilitate the transmission of information between suppliers and customers. The customers obtain from the Group the requested query information and SMS services in accordance with their requirements. From the customers' point of view, it is the Group that provides value-added service on these query information and SMS notification services which meet their needs through suppliers selected by the Group from a customer approved supplier list and the customers do not know which supplier is finally deployed; and the customers consider the Group to be primarily responsible for fulfilling the performance obligation. In addition:

- The Group retains sole discretion to establish the price for the query information and SMS services provided to the customers. The Group is required to pay the suppliers a fixed price for each service used, which is not affected by the price paid by the Group's customers. This discretion to establish prices demonstrates the Group's ability to obtain substantially all of the remaining benefits from the Query/SMS notice services, in contrast to an agent who normally charges a commission or fee as a percentage of the customer's paid price.
- The Group does not bear any inventory risks related to the Query/SMS notice services. The Group only requests the services from the supplier upon receiving a customer's request for Query and SMS notice services. The Group does not commit to paying the supplier for the services until the request from the customer is received, sent to the supplier, and the result is obtained.
- During the course of providing the services, the Group may source information requested or SMS services required by the customers from multiple suppliers via the API marketplace, and the Group has discretion in selecting suppliers from a customer approved supplier list that meet the customer's needs to provide the requested query information and SMS services.

Therefore, the Group is acting as a principal for query and SMS notice services even though it does not bear inventory risk considering the nature of the query and SMS services, and relevant revenue should be recognized on gross basis, i.e., the selling prices of the service.

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API marketplace – Top-up

For the top-up service, the Group’s performance obligation is to arrange for the provision of the top-up service requested by the end-user through the Group’s customers to the relevant telecommunication operators. Although the top-up request is made through the Group’s API, to fulfill its performance obligation, the Group only has to pass the request order to the supplier, and the primary responsibility for successful top-up rests with the telecommunication operators for crediting the relevant top-up value to the end users. The Group only facilitates the transmission of this top-up request with limited involvement in the top-up request process with the customer’s designated telecommunication operators. In addition:

- The revenue earned from top-up service is based on agreed fees, which are calculated as a percentage of the total top-up face value and the amount of the fee earned is low. The Group does not have the sole discretion to establish prices and the Group only earns a narrow margin instead of obtaining substantially all of the remaining benefits from the top-up service. This is consistent with the definition of revenue earned by an agent under IFRS 15, which is a commission or fee earned for facilitating a transaction between two parties.
- The Group does not bear any inventory risks related to top-up service being provided to the customer. As an intermediary facilitating the transmission of this top-up request between the customer and the supplier, the Group does not commit to pay the supplier for the services until it has received a request from the customer and sent the corresponding request to the supplier. The Group does not hold any inventory for top-up services.
- The Group does not have discretion on selecting ultimate suppliers for customers. For example, the Group can only choose China Mobile for a China Mobile user’s top up; thus the Group is an agent between China Mobile and the customer.

Therefore, the Group is acting as an agent for the top-up service, and relevant revenue should be recognized on net basis, i.e. the selling price of the service less the cost of purchase from the service provider.

6. SEGMENT INFORMATION

(a) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the directors of the Company, being chief operating decision maker, for their decisions about resources allocation to the Group’s business components and for their review of these components’ performance.

During the Track Record Period, the Group is principally engaged in the provision of API marketplace services and data management solutions in the PRC. Information reported to the directors of the Company for the purpose of resources allocation and performance assessment focuses on the operating results of the business. Therefore, the chief operating decision maker of the Company regards that there is only one operating segment which is used to make strategic decisions. No other discrete financial information is provided other than the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

(b) Geographical information

The Group is domiciled in the PRC, which is the location of the Group’s principal office. The Group’s revenues from external customers are divided into the following geographical area:

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
The PRC	260,011	328,936	441,083

The Group’s revenue information above is based on the delivery destinations of the Group’s products and services requested by the customers. The geographical location of non-current assets is based on the physical location of the assets. As of December 31, 2021, 2022 and 2023, all of the Group’s non-current assets were located in the PRC.

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(c) Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group’s revenue for each of the years during the Track Record Period, is set out below:

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Customer A	N/A*	40,890	70,575
Customer B	30,432	N/A*	N/A*
Customer C	26,397	N/A*	N/A*
Customer D	27,646	N/A*	62,276
Customer E	N/A*	N/A*	88,624

* The corresponding revenue is not disclosed as it did not contribute over 10% of the total revenue of the Group during that year.

7. REVENUE

Revenue represents the revenue from API marketplace and data management solutions.

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Revenue from API marketplace			
Query	124,467	145,279	271,356
SMS notice	57,883	70,627	64,543
Top-up	12,370	7,626	6,170
	194,720	223,532	342,069
Revenue from data management solutions			
	65,291	105,404	99,014
	260,011	328,936	441,083

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Timing of revenue recognition under IFRS 15			
At a point in time	259,256	326,440	430,827
Over time	755	2,496	10,256
	260,011	328,936	441,083

All contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	As of January, 2021 RMB’000	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000	2023 RMB’000
Trade receivables (Note 21)	63,087	91,203	123,973	175,077
Contract assets (Note 23(a))	44	1,117	3,994	1,865
Contract liabilities (Note 23(b))	59,875	51,440	29,692	29,802
	<u>59,875</u>	<u>51,440</u>	<u>29,692</u>	<u>29,802</u>

8. OTHER INCOME AND OTHER GAINS, NET

	Year ended December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Bank interest income	1,922	1,356	2,469
Fair value gain/(loss) on financial assets at FVTPL (Note 25)	7,316	3,384	(460)
Government grants (Note)	7,419	5,557	8,437
Dividend income	15	234	–
(Loss)/gain on disposal/ written off of property, plant and equipment	(51)	10	(8)
Others	282	478	266
	<u>16,903</u>	<u>11,019</u>	<u>10,704</u>

Note: Government grants mainly comprised of subsidies received/receivable for subsidising the Group’s business. There was no unfulfilled condition to receive government grants at the end of each reporting period.

9. FINANCE COSTS

	Year ended December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Interest on lease liabilities	9	1	1
Interest on bank borrowings	145	–	–
Interest on repurchase liabilities (Note 41)	–	–	1,013
	<u>154</u>	<u>1</u>	<u>1,014</u>

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10. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the followings:

	Year ended December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Cost of inventories recognized as expenses	35,413	68,972	71,277
Auditors’ remuneration	91	62	83
Depreciation of property, plant and equipment (Note 15)	4,128	11,094	12,014
– Less: depreciation capitalized to contract costs and inventories	(66)	(120)	(336)
	<u>4,062</u>	<u>10,974</u>	<u>11,678</u>
Amortization of intangible assets (Note 17)	9	9	9
Professional fees (included in administrative and other expenses) (Note)	5,184	8,380	95
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Short-term lease expenses	215	237	10
Expenses relating to leases of low-value assets	13	2	3
Employee costs (including directors’ emoluments (Note 14)):			
– Salaries and wages	33,101	49,068	48,793
– Retirement scheme contributions	6,481	8,631	9,628
	<u>39,582</u>	<u>57,699</u>	<u>58,421</u>
Equity-settled share-based payments (Note 36)	400	435	442
Impairment loss on financial and contract assets, net (Note 39(b)):			
– Trade receivables	437	1,775	10,032
– Contract assets	6	20	(19)
– Deposits and other receivables	(25)	(727)	(98)
	<u>418</u>	<u>1,068</u>	<u>9,915</u>

Note: Professional fees include expenses related to previous listing exercise attempt.

11. INCOME TAX (EXPENSE)/CREDIT

	Year ended December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Current year – PRC Enterprise Income Tax	(7,116)	(3,704)	(4,363)
Deferred tax (Note 18)	(347)	232	1,649
	<u>(7,463)</u>	<u>(3,472)</u>	<u>(2,714)</u>

The Group is subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated.

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Pursuant to the income tax rules and regulations of the PRC, the provision for PRC income tax of the group entities is calculated based on the statutory tax rate of 25% during the Track Record Period, except for (a) the Company which is registered as a High and New-Tech Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for the years ended December 31, 2021, 2022 and 2023; (b) Tianju Renhe which is registered as a High and New-Tech Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for the years ended December 31, 2021, 2022 and 2023; (c) Tianju Xinghe which is registered as a qualified Micro and Small Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 2.5%, 2.5% and 5% for the years ended December 31, 2021, 2022 and 2023; and (d) Zhonghui Juhe which is registered as a qualified Micro and Small Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 2.5%, 2.5% and 5% for the years ended December 31, 2021, 2022 and 2023.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	<u>53,429</u>	<u>44,756</u>	<u>37,775</u>
Tax calculated at applicable tax rates	13,129	11,433	9,458
Tax effect of expenses not deductible for tax purpose	200	274	462
Tax effect of tax exemption and incentive granted	(5,092)	(4,829)	(3,862)
Tax incentives for research and development costs	(1,792)	(2,967)	(2,976)
Effect of opening deferred tax of change in tax rate	532	–	(18)
Utilization of tax losses previously not recognized	–	(443)	(354)
Tax effect of deductible temporary difference and deductible tax loss for which no deferred tax asset was recognized	<u>486</u>	<u>4</u>	<u>4</u>
Income tax expense	<u>7,463</u>	<u>3,472</u>	<u>2,714</u>

12. DIVIDENDS

The final dividend for the year ended December 31, 2020 of RMB0.44 per ordinary share, in an aggregate amount of RMB20,000,000 was approved and paid during the year ended December 31, 2021, respectively.

No dividend has been declared during the years ended December 31, 2022 and 2023.

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Year ended December 31,		
	2021	2022	2023
Earnings for the purpose of basic and diluted earnings per share (RMB'000)	<u>46,011</u>	<u>41,249</u>	<u>34,751</u>
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>45,300,000</u>	<u>45,300,000</u>	<u>45,300,000</u>

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Diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence for the years ended December 31, 2021 and 2022. For the year ended December 31, 2023, the potential ordinary shares, i.e. shares with repurchase liabilities, were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive.

14. DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors’ and supervisors’ emoluments

Details of directors’ and supervisors’ remuneration during the Track Record Period are as follows:

	Fees <i>RMB’000</i>	Salaries <i>RMB’000</i>	Allowance and other benefits <i>RMB’000</i>	Discretionary bonus <i>RMB’000</i>	Retirement scheme contributions <i>RMB’000</i>	Equity- settled share-based payments <i>RMB’000</i>	Total <i>RMB’000</i>
Year ended December 31, 2021							
<i>Executive directors</i>							
Mr. Zuo Lei	-	480	-	-	65	-	545
Mr. Wang Haojin	-	240	-	-	60	70	370
Mr. Lin Shan	-	156	-	-	40	-	196
Ms. Yang Yanjun	-	500	-	18	64	60	642
	-	1,376	-	18	229	130	1,753
<i>Non-executive directors</i>							
Mr. Qiu Jianqiang	-	-	-	-	-	-	-
Mr. Ren Chengyuan (Note ii)	-	-	-	-	-	-	-
Mr. Wu Xuejun (Note i)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<i>Independent non-executive directors</i>							
Mr. Huang Xuexian	-	-	80	-	-	-	80
Mr. Chen Xinhe	-	-	80	-	-	-	80
Mr. Zhang Weining (Note iii)	-	-	20	-	-	-	20
Ms. Xing Yan (Note iv)	-	-	42	-	-	-	42
	-	-	222	-	-	-	222
<i>Supervisors</i>							
Ms. Ji Shilin	-	263	-	29	39	-	331
Mr. Yu Gang	-	-	-	-	-	-	-
Ms. Ren Yuan	-	-	-	-	-	-	-
	-	263	-	29	39	-	331

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	Fees	Salaries	Allowance and other benefits	Discretionary bonus	Retirement scheme contributions	Equity- settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2022							
<i>Executive directors</i>							
Mr. Zuo Lei	-	480	-	-	78	-	558
Mr. Wang Haojin	-	241	-	-	68	70	379
Mr. Lin Shan	-	157	-	-	44	-	201
Ms. Yang Yanjun	-	479	-	20	78	60	637
	-	1,357	-	20	268	130	1,775
<i>Non-executive directors</i>							
Mr. Qiu Jianqiang	-	-	-	-	-	-	-
Mr. Ren Chengyuan	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<i>Independent non-executive directors</i>							
Mr. Huang Xuexian	-	-	80	-	-	-	80
Mr. Chen Xinhe	-	-	80	-	-	-	80
Ms. Xing Yan	-	-	80	-	-	-	80
	-	-	240	-	-	-	240
<i>Supervisors</i>							
Ms. Ji Shilin	-	361	-	27	69	-	457
Mr. Yu Gang	-	-	-	-	-	-	-
Ms. Ren Yuan	-	-	-	-	-	-	-
	-	361	-	27	69	-	457

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	Fees RMB'000	Salaries RMB'000	Allowance and other benefits RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Equity- settled share-based payments RMB'000	Total RMB'000
Year ended December 31, 2023							
<i>Executive directors</i>							
Mr. Zuo Lei	-	480	-	-	81	-	561
Mr. Wang Haojin	-	240	-	-	69	70	379
Mr. Lin Shan	-	156	-	-	45	-	201
Ms. Yang Yanjun	-	480	-	20	81	60	641
	-	1,356	-	20	276	130	1,782
<i>Non-executive directors</i>							
Mr. Qiu Jianqiang	-	-	-	-	-	-	-
Mr. Ren Chengyuan (Note ii)	-	-	-	-	-	-	-
Mr. Gao Yuan (Note viii)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<i>Independent non-executive directors</i>							
Mr. Huang Xuexian	-	-	80	-	-	-	80
Mr. Chen Xinhe	-	-	80	-	-	-	80
Ms. Xing Yan (Note iv)	-	-	30	-	-	-	30
Mr. Li Shun Fai (Note iv & v)	-	-	69	-	-	-	69
	-	-	259	-	-	-	259
<i>Supervisors</i>							
Ms. Ji Shilin (Note vi)	-	145	-	-	23	-	168
Mr. Yu Gang	-	-	-	-	-	-	-
Ms. Ren Yuan	-	-	-	-	-	-	-
Mr. Gao Qi (Note vii)	-	239	-	27	54	-	320
	-	384	-	27	77	-	488

Notes:

- (i) Mr. Wu Xuejun resigned as a non-executive director of the Company on March 31, 2021.
- (ii) Mr. Ren Chengyuan was appointed as a non-executive director of the Company on June 22, 2021 and resigned on July 18, 2023.
- (iii) Mr. Zhang Weining resigned as an independent non-executive director of the Company on May 31, 2021.
- (iv) Ms. Xing Yan was appointed as an independent non-executive director of the Company on June 22, 2021 and proposed resignation on April 27, 2023. She performed her duty until a replacement from the new independent non-executive director, Mr. Li Shun Fai, on May 18, 2023.
- (v) Mr. Li Shun Fai was appointed as an independent non-executive director of the Company on May 18, 2023.
- (vi) Ms. Ji Shilin resigned as a supervisor of the Company on April 27, 2023.

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- (vii) Mr. Gao Qi was appointed as a supervisor of the Company on April 27, 2023.
- (viii) Mr. Gao Yuan was appointed as a non-executive director of the Company on July 24, 2023.
- (ix) No emoluments were paid by the Group to any directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the Track Record Period.
- (x) The executive directors’ emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company. The non-executive directors and the independent non-executive directors’ emoluments shown above were for their services as directors of the Company.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, included two, one, and nil directors or supervisors of the Company for each of the years ended December 31, 2021, 2022 and 2023 respectively, whose emoluments are disclosed above. The emoluments of the remaining three, four and five individuals for each of the years ended December 31, 2021, 2022 and 2023 respectively are analyzed below:

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries	1,602	2,273	2,887
Allowance and other benefits	–	–	–
Discretionary bonuses	180	382	267
Retirement scheme contributions	251	313	411
Equity-settled share-based payments	110	170	170
	<u>2,143</u>	<u>3,138</u>	<u>3,735</u>

The number of the highest paid non-director individuals fell within the following emolument bands:

	Year ended December 31,		
	2021	2022	2023
	<i>No. of individuals</i>	<i>No. of individuals</i>	<i>No. of individuals</i>
Nil to HK\$1,000,000	3	3	5
HK\$1,000,001 to HK\$1,500,000	–	1	–
	<u>3</u>	<u>4</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to any director or supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There were no arrangements under which a director or supervisor waived or agreed to waive any emolument during the Track Record Period.

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15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold land RMB'000	Buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Other properties leased for own use RMB'000	Construction- in-progress RMB'000	Total RMB'000
Cost:								
At January 1, 2021	6,482	38,553	1,918	1,633	4,145	1,538	108,688	162,957
Additions	–	11,490	–	–	658	–	53,136	65,284
Disposals/written off	–	–	–	(155)	(133)	(1,538)	–	(1,826)
At December 31, 2021 and January 1, 2022	6,482	50,043	1,918	1,478	4,670	–	161,824	226,415
Additions	–	–	10,819	–	5,554	86	15,850	32,309
Disposals/written off	–	–	(655)	–	(379)	–	–	(1,034)
Transferred upon completion	–	177,674	–	–	–	–	(177,674)	–
At December 31, 2022 and January 1, 2023	6,482	227,717	12,082	1,478	9,845	86	–	257,690
Additions	–	–	618	624	315	–	–	1,557
Disposals/written off	–	–	–	–	(166)	–	–	(166)
Termination of leases	–	–	–	–	–	(86)	–	(86)
At December 31, 2023	6,482	227,717	12,700	2,102	9,994	–	–	258,995
Accumulated depreciation:								
At January 1, 2021	567	6,867	781	567	1,714	769	–	11,265
Charge for the year	131	2,013	253	338	624	769	–	4,128
Disposals/written off	–	–	–	(93)	(128)	(1,538)	–	(1,759)
At December 31, 2021 and January 1, 2022	698	8,880	1,034	812	2,210	–	–	13,634
Charge for the year	131	7,534	1,129	301	1,982	17	–	11,094
Disposals/written off	–	–	(654)	–	(356)	–	–	(1,010)
At December 31, 2022 and January 1, 2023	829	16,414	1,509	1,113	3,836	17	–	23,718
Charge for the year	131	8,003	1,427	340	2,076	37	–	12,014
Disposals/written off	–	–	–	–	(149)	–	–	(149)
Termination of leases	–	–	–	–	–	(54)	–	(54)
At December 31, 2023	960	24,417	2,936	1,453	5,763	–	–	35,529
Net carrying amount:								
At December 31, 2021	5,784	41,163	884	666	2,460	–	161,824	212,781
At December 31, 2022	5,653	211,303	10,573	365	6,009	69	–	233,972
At December 31, 2023	5,522	203,300	9,764	649	4,231	–	–	223,466

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The Company

	Leasehold land RMB'000	Buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Other properties leased for own use RMB'000	Construction- in-progress RMB'000	Total RMB'000
Cost:								
At January 1, 2021	6,482	38,553	1,918	1,633	3,167	1,538	108,688	161,979
Additions	-	11,490	-	-	146	-	53,136	64,772
Disposals/written off	-	-	-	(155)	(133)	(1,538)	-	(1,826)
At December 31, 2021 and January 1, 2022	6,482	50,043	1,918	1,478	3,180	-	161,824	224,925
Additions	-	-	10,819	-	5,550	86	15,850	32,305
Disposals/written off	-	-	(655)	-	(370)	-	-	(1,025)
Transferred upon completion	-	177,674	-	-	-	-	(177,674)	-
At December 31, 2022 and January 1, 2023	6,482	227,717	12,082	1,478	8,360	86	-	256,205
Additions	-	-	618	624	315	-	-	1,557
Disposals/written off	-	-	-	-	(157)	-	-	(157)
Termination of leases	-	-	-	-	-	(86)	-	(86)
At December 31, 2023	6,482	227,717	12,700	2,102	8,518	-	-	257,519
Accumulated depreciation:								
At January 1, 2021	567	6,867	781	567	1,557	769	-	11,108
Charge for the year	131	2,013	253	338	491	769	-	3,995
Disposals/written off	-	-	-	(93)	(127)	(1,538)	-	(1,758)
At December 31, 2021 and January 1, 2022	698	8,880	1,034	812	1,921	-	-	13,345
Charge for the year	131	7,534	1,129	301	1,829	17	-	10,941
Disposals/written off	-	-	(654)	-	(349)	-	-	(1,003)
At December 31, 2022 and January 1, 2023	829	16,414	1,509	1,113	3,401	17	-	23,283
Charge for the year	131	8,003	1,427	340	1,936	37	-	11,874
Disposals/written off	-	-	-	-	(140)	-	-	(140)
Termination of leases	-	-	-	-	-	(54)	-	(54)
At December 31, 2023	960	24,417	2,936	1,453	5,197	-	-	34,963
Net carrying amount:								
At December 31, 2021	5,784	41,163	884	666	1,259	-	161,824	211,580
At December 31, 2022	5,653	211,303	10,573	365	4,959	69	-	232,922
At December 31, 2023	5,522	203,300	9,764	649	3,321	-	-	222,556

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The Group and the Company

The analysis of the net book value of right-of-use assets by class of underlying assets as of the end of each reporting period is as follows:

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Leasehold land	5,784	5,653	5,522
Other properties leased for own use	–	69	–
	<u>5,784</u>	<u>5,722</u>	<u>5,522</u>

	Year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Additions to right-of-use assets	–	86	–
Depreciation charge of right-of-use assets by class of underlying assets:			
– Leasehold land	131	131	131
– Other properties leased for own use	769	17	37
	<u>900</u>	<u>148</u>	<u>168</u>

The Group had total cash outflows for leases of RMB1,024,000, RMB261,000 and RMB46,000 for the years ended December 31, 2021, 2022 and 2023, respectively. The Group also had non-cash additions to right-of-use assets and lease liabilities of RMB86,000 for the years ended December 31, 2022.

The Group regularly entered into short-term leases for office equipment. As of December 31, 2021, 2022 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 10.

16. INVESTMENTS IN SUBSIDIARIES

The Company

	Year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted investment, at cost	107,571	107,621	107,621
Impairment	(7,509)	(3,300)	(1,228)
	<u>100,062</u>	<u>104,321</u>	<u>106,393</u>

The particulars of the directly and indirectly held subsidiaries of the Company are set out in Note 1.

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As at December 31, 2021, 2022 and 2023, the Company has assessed the recoverable amounts of its investment in subsidiaries and as a result the carrying amount of the investments in subsidiaries were written down to its recoverable amounts of RMB100,062,000, RMB104,321,000 and RMB106,393,000. The recoverable amounts of investments have been determined based on fair value less cost of disposal, and were classified as Level 3 recurring fair value measurements, as significant inputs are not based on observable market data. The key significant unobservable inputs to determine the fair value less cost of disposal are the net assets value of the subsidiaries. The higher the net assets value of the subsidiaries, the higher the fair value less cost of disposal will be and lower the impairment required.

17. INTANGIBLE ASSETS

The Group and the Company

	Patents
	<i>RMB’000</i>
Cost:	
At January 1, 2021, December 31, 2021, January 1, 2022, December 31, 2022, January 1, 2023 and December 31, 2023	<u><u>143</u></u>
Accumulated amortization:	
At January 1, 2021	16
Charge for the year	<u>9</u>
At December 31, 2021 and January 1, 2022	25
Charge for the year	<u>9</u>
At December 31, 2022 and January 1, 2023	34
Charge for the year	<u>9</u>
At December 31, 2023	<u><u>43</u></u>
Net carrying value:	
At December 31, 2021	<u><u>118</u></u>
At December 31, 2022	<u><u>109</u></u>
At December 31, 2023	<u><u>100</u></u>

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18. DEFERRED TAX

Deferred tax recognized and movements during the Track Record Period are as follows:

The Group

	Impairment losses on financial and contract assets RMB’000	Unused tax loss RMB’000	Fair value change on financial assets at FVTPL RMB’000	Fair value change on financial assets at FVOCI RMB’000	Total RMB’000
At January 1, 2021	1,054	36	–	(5,421)	(4,331)
(Charged)/credited to profit or loss	(289)	709	(767)	–	(347)
Charged to other comprehensive income	–	–	–	(5,900)	(5,900)
At December 31, 2021 and January 1, 2022	765	745	(767)	(11,321)	(10,578)
Credited/(charged) to profit or loss	157	(668)	743	–	232
Credited to other comprehensive income	–	–	–	1,660	1,660
At December 31, 2022 and January 1, 2023	922	77	(24)	(9,661)	(8,686)
Credited/(charged) to profit or loss	1,488	(77)	238	–	1,649
Credited to other comprehensive income	–	–	–	2,046	2,046
At December 31, 2023	<u>2,410</u>	<u>–</u>	<u>214</u>	<u>(7,615)</u>	<u>(4,991)</u>

The following is the analysis of the deferred tax balances for the financial reporting purposes:

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Deferred tax assets	556	620	545
Deferred tax liabilities	<u>(11,134)</u>	<u>(9,306)</u>	<u>(5,536)</u>
	<u>(10,578)</u>	<u>(8,686)</u>	<u>(4,991)</u>

Deferred income tax assets are recognized for deductible temporary differences to the extent that the realization of the related tax benefits through future taxable profits is probable. The Group has tax losses arising in China that will expire in five years for offsetting against future taxable profits.

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The amounts and expiration dates of the tax losses carried forward as of December 31, 2021, 2022 and 2023 are listed below:

	As of December 31,		
	2021 <i>RMB’000</i>	2022 <i>RMB’000</i>	2023 <i>RMB’000</i>
2024	791	–	–
2025	1,760	–	–
2026	7,336	4,152	945
2027	–	17	17
2028	–	–	14
	<u>9,887</u>	<u>4,169</u>	<u>976</u>

As of December 31, 2021, 2022 and 2023, the Group did not recognize deferred income tax assets of RMB963,000, RMB524,000 and RMB174,000, respectively, in respect of deductible temporary differences and cumulative tax losses amounting RMB6,251,000, RMB3,313,000 and RMB976,000, that can be carried forward against future taxable income.

The Company

	Impairment losses on financial and contract assets <i>RMB’000</i>	Fair value change on financial assets at FVTPL <i>RMB’000</i>	Fair value change on financial assets at FVOCI <i>RMB’000</i>	Total <i>RMB’000</i>
At January 1, 2021	173	–	(5,421)	(5,248)
Credited to profit or loss	53	–	–	53
Charged to other comprehensive income	–	–	(5,900)	(5,900)
At December 31, 2021 and January 1, 2022	226	–	(11,321)	(11,095)
Credited/(charged) to profit or loss	153	(24)	–	129
Credited to other comprehensive income	–	–	1,660	1,660
At December 31, 2022 and January 1, 2023	379	(24)	(9,661)	(9,306)
Credited to profit or loss	1,486	238	–	1,724
Credited to other comprehensive income	–	–	2,046	2,046
At December 31, 2023	<u>1,865</u>	<u>214</u>	<u>(7,615)</u>	<u>(5,536)</u>

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ACCOUNTANTS’ REPORT

The following is the analysis of the deferred tax balances for the financial reporting purposes:

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Deferred tax liabilities	(11,095)	(9,306)	(5,536)

19. INVENTORIES

The Group

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Data management solutions	21,533	12,454	20,850

The Company

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Data management solutions	21,265	10,388	20,424

20. FINANCIAL ASSETS AT FVOCI

The Group

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Non-current assets			
Unlisted equity investments, at fair value	88,189	75,954	61,700

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers that these investments are long-term strategic in nature.

The movements during the Track Record Period of the unlisted equity investments at level 3 fair value measurement are set out below:

	Year ended December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
At the beginning of the year	50,114	88,189	75,954
Fair value changes	38,142	(12,400)	(14,311)
Exchange difference	(67)	165	57
At the end of the year	88,189	75,954	61,700

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The unlisted equity investments were valued by independent qualified professional valuer as of December 31, 2021, 2022 and 2023. As of December 31, 2021, 2022 and 2023, the unlisted equity investments were classified as Level 3 recurring fair value measurement. There was no transfer between different levels of the fair value hierarchy for the years ended December 31, 2021, 2022 and 2023. There has been no change in valuation technique used during the Track Record Period.

Information about fair value measurement using significant unobservable inputs:

	Valuation approach	Significant unobservable inputs	Range of estimates			Relationship of unobservable inputs to fair value
			As of December 31, 2021	2022	2023	
Unlisted equity investments	Market approach	Discount for lack of marketability	20.60%	20.50%	20.50%	The higher the discount for lack of marketability, the lower the fair value
		Enterprise multiple	7.92-35.17	4.53-30.08	4.24-33.90	The higher the enterprise multiple, the higher the fair value

If all other variables held constant, a 5% higher/lower discount for lack of marketability rate would have a decrease/increase the other comprehensive income for the years ended December 31, 2021, 2022 and 2023 by approximately RMB978,000, RMB833,000 and RMB673,000, respectively.

If all other variables held constant, a 5% higher/lower in the enterprise multiple rate would have a increase/decrease the other comprehensive income for the years ended December 31, 2021, 2022 and 2023 by approximately RMB3,626,000, RMB3,222,000 and RMB2,998,000, respectively.

The Company

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Non-current assets			
Unlisted equity investments, at fair value	85,882	74,819	61,176

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Company considers that these investments are long-term strategic in nature.

The movements during the Track Record Period of the unlisted equity investments at level 3 fair value measurement are set out below:

	Year ended December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
At the beginning of the year	46,544	85,882	74,819
Fair value changes	39,338	(11,063)	(13,643)
At the end of the year	85,882	74,819	61,176

The unlisted equity investments were valued by independent qualified professional valuer as of December 31, 2021, 2022 and 2023. As of December 31, 2021, 2022 and 2023, the unlisted equity investment were classified as Level 3 recurring fair value measurement. There was no transfer between different levels of the fair value hierarchy for the years ended December 31, 2021, 2022 and 2023. There has been no change in valuation technique used during the Track Record Period.

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Information about fair value measurement using significant unobservable inputs:

	Valuation approach	Significant unobservable inputs	Range of estimates			Relationship of unobservable inputs to fair value
			As of December 31, 2021	2022	2023	
Unlisted equity investments	Market approach	Discount for lack of marketability	20.60%	20.50%	20.50%	The higher the discount for lack of marketability, the lower the fair value
		Enterprise multiple	35.17	30.08	33.90	The higher the enterprise multiple, the higher the fair value

If all other variables held constant, a 5% higher/lower in discount for lack of marketability rate would have a decrease/increase the other comprehensive income for the years ended December 31, 2021, 2022 and 2023 by approximately RMB946,000, RMB819,000 and RMB666,000, respectively.

If all other variables held constant, a 5% higher/lower in the enterprise multiple rate would have a increase/decrease the other comprehensive income for the years ended December 31, 2021, 2022 and 2023 by approximately RMB3,499,000, RMB3,159,000 and RMB2,941,000, respectively.

21. TRADE RECEIVABLES

The Group

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Trade receivables	95,273	129,818	190,954
Less: impairment loss allowance	(4,070)	(5,845)	(15,877)
	<u>91,203</u>	<u>123,973</u>	<u>175,077</u>

An aging analysis of trade receivables, net of impairment losses, as of the end of each reporting period, based on the invoice dates, is as follows:

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Unbilled receivables (<i>Note</i>)	<u>83,194</u>	<u>94,891</u>	<u>127,106</u>
Billed receivables			
Within 30 days	7,273	19,656	18,480
31-60 days	512	1,226	15,940
61-90 days	57	4,100	4,067
91-180 days	103	1,045	4,085
Over 180 days	<u>64</u>	<u>3,055</u>	<u>5,399</u>
	<u>8,009</u>	<u>29,082</u>	<u>47,971</u>
	<u>91,203</u>	<u>123,973</u>	<u>175,077</u>

Note: The unbilled receivables represent the Group’s unconditional right to consideration, of which invoices have not been issued.

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The Group recognized impairment loss based on the accounting policy stated in Note 4.10(b). Trade receivables are generally due within 5 to 45 days from the date of billing.

Further details on the Group’s credit policy and credit risk analysis arising from trade receivables are set out in Note 39(b).

The Company

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	90,063	119,428	180,855
Less: impairment loss allowance	(584)	(2,323)	(12,374)
	<u>89,479</u>	<u>117,105</u>	<u>168,481</u>

An aging analysis of trade receivables, net of impairment losses, as of the end of each reporting period, based on the invoice dates, is as follows:

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Unbilled receivables (<i>Note</i>)	<u>81,470</u>	<u>88,023</u>	<u>120,510</u>
Billed receivables			
Within 30 days	7,273	19,656	18,480
31-60 days	512	1,226	15,940
61-90 days	57	4,100	4,067
91-180 days	103	1,045	4,085
Over 180 days	64	3,055	5,399
	<u>8,009</u>	<u>29,082</u>	<u>47,971</u>
	<u>89,479</u>	<u>117,105</u>	<u>168,481</u>

Note: The unbilled receivables represent the Company’s unconditional right to consideration, of which invoices have not been issued.

The Company recognized impairment loss based on the accounting policy stated in Note 4.10(b). Trade receivables are generally due within 5 to 45 days from the date of billing.

Further details on the Company’s credit policy and credit risk analysis arising from trade receivables are set out in Note 39(b).

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22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<u>Current portion</u>			
Deposits and other receivables	3,048	4,612	2,201
Prepayments	18,302	55,146	70,339
Prepaid [REDACTED] expenses and deferred issue costs	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	21,350	59,758	78,937
Less: impairment loss allowance	<u>(1,029)</u>	<u>(292)</u>	<u>(194)</u>
	<u>20,321</u>	<u>59,466</u>	<u>78,743</u>
<u>Non-current portion</u>			
Prepayments	<u>36</u>	<u>5</u>	<u>40</u>
	<u>20,357</u>	<u>59,471</u>	<u>78,783</u>

The Company

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<u>Current portion</u>			
Deposits and other receivables	2,772	4,169	1,647
Prepayments	9,377	32,424	36,613
Prepaid [REDACTED] expenses and deferred issue costs	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	12,149	36,593	44,657
Less: impairment loss allowance	<u>(925)</u>	<u>(184)</u>	<u>(64)</u>
	<u>11,224</u>	<u>36,409</u>	<u>44,593</u>

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23. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

Contract assets arising from data management solutions primarily relate to the Group’s and the Company’s rights to consideration for work completed at the reporting date. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and the milestones are reached.

The Group and the Company

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Contract assets arising from data management solutions	1,124	4,021	1,873
Less: impairment loss allowance	(7)	(27)	(8)
	<u>1,117</u>	<u>3,994</u>	<u>1,865</u>

Movements in contract assets during the Track Record Period are as follows:

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At the beginning of the year	45	1,124	4,021
Additions	1,124	4,641	1,022
Amounts recognized as trade receivables during the year	(45)	(1,744)	(3,170)
At the end of the year	1,124	4,021	1,873
Less: impairment loss allowance	(7)	(27)	(8)
	<u>1,117</u>	<u>3,994</u>	<u>1,865</u>

The Group’s and the Company’s data management solutions contracts include payment schedules, which require stage payments after certain period of the contract date. Additionally, the Group typically agrees a 6-month to 3-year retention period for 2 – 10% of the contract sum. This amount is included in contract assets until the end of retention period as the Group’s entitlement to this final payment is conditional on the Group’s satisfactory work. No contracts has significant financing component. The changes in contract assets are due to (i) adjustments arising from changes in the measure of progress of contracting work, or (ii) reclassification to trade receivables when the Group has unconditional right to the consideration. The contract assets are all classified as current assets as it is within the normal operating cycle.

The expected timing of recovery or settlement for contract assets as of the end of each reporting period is as follows:

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Due within one year	1,124	2,958	1,397
Due after one year	–	1,063	476
	<u>1,124</u>	<u>4,021</u>	<u>1,873</u>

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The contract assets of RMB1,124,000, RMB4,021,000 and RMB1,873,000 as of December 31, 2021, 2022 and 2023 are generally expected to be settled within the next 3 years upon completion of services and acceptance by the customers.

Further details on the Group’s and the Company’s credit policy and credit risk analysis arising from contract assets are set out in Note 39(b).

(b) Contract liabilities

The Group

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Contract liabilities arising from			
API marketplace	31,891	26,902	20,491
Data management solutions	19,549	2,790	9,311
	<u>51,440</u>	<u>29,692</u>	<u>29,802</u>

The contract liabilities represented the advance consideration received from customers. The addition of contract liabilities was mainly due to the increase of cash payments made upfront by the Group’s customers under sales contracts. The Group receives payment from customers based on billing schedule as established in contracts.

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	<u>59,317</u>	<u>51,340</u>	<u>28,751</u>

The Company

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Contract liabilities arising from			
API marketplace	24,974	23,184	17,703
Data management solutions	19,549	2,145	8,664
	<u>44,523</u>	<u>25,329</u>	<u>26,367</u>

The contract liabilities represented the advance consideration received from customers. The addition of contract liabilities was mainly due to the increase of cash payments made upfront by the Company’s customers under sales contracts. The Company receives payment from customers based on billing schedule as established in contracts.

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	<u>36,536</u>	<u>44,355</u>	<u>24,531</u>

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24. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	182,287	168,470	124,417
Time deposits with original maturity over three months	—	30,000	80,000
	<u>182,287</u>	<u>198,470</u>	<u>204,417</u>

The Group’s cash and cash equivalents comprise cash on hand, bank deposits carrying interest at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rate. Time deposits with original maturity over three months comprise bank deposits carrying interest at fixed rate or floating rates at prevailing market interest rate. The directors of the Company consider that the carrying value of the deposits at the end of each reporting period approximates to their fair values.

As of the end of each reporting period, all of the Group’s cash at banks and on hands and time deposits with original maturity over three months are denominated in RMB and placed in the PRC. RMB is not a freely convertible currency. Under the PRC’s Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

The Company

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	142,797	130,733	90,585
Time deposits with original maturity over three months	—	30,000	80,000
	<u>142,797</u>	<u>160,733</u>	<u>170,585</u>

The Company’s cash and cash equivalents comprise cash on hand, bank deposits carrying interest at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rate. Time deposits with original maturity over three months comprise bank deposits carrying interest at fixed rate or floating rates at prevailing market interest rate. The directors of the Company consider that the carrying value of the deposits at the end of each reporting period approximates to their fair values.

As of the end of each reporting period, all of the Company’s cash at banks and on hands and time deposits with original maturity over three months are denominated in RMB and placed in the PRC. RMB is not a freely convertible currency. Under the PRC’s Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

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25. FINANCIAL ASSETS AT FVTPL

The Group

	As of December 31,		
	2021 <i>RMB’000</i>	2022 <i>RMB’000</i>	2023 <i>RMB’000</i>
Non-current assets			
Unlisted debt security	—	—	5,245
Current assets			
Structured deposits	103,066	35,155	—
	<u>103,066</u>	<u>35,155</u>	<u>5,245</u>

The Group’s unlisted debt security represents investment in an unlisted investment fund incorporated in the PRC. This investment fund is principally engaged in trading of securities.

The Group’s structured deposits represent RMB-denominated structured deposits. The expected annual interest rate for the structured deposits to be received is uncertain until maturity. The annual expected return rates range from 1.20% to 4.00%.

Information about valuation technique and key inputs:

	Fair value hierarchy	Valuation technique and key inputs
Unlisted debt security	Level 3	Asset-based approach with adjustment on discount for lack of control
Structured deposits	Level 2	Redemption value quoted by banks with reference to the expected return of the underlying assets

The movements during the Track Record Period of the unlisted debt security at level 3 fair value measurement are set out below:

	Year ended December 31,		
	2021 <i>RMB’000</i>	2022 <i>RMB’000</i>	2023 <i>RMB’000</i>
At the beginning of the year	—	—	—
Addition	—	—	6,667
Fair value changes	—	—	(1,422)
At the end of the year	<u>—</u>	<u>—</u>	<u>5,245</u>

The unlisted debt security was valued by independent qualified professional valuer as of December 31, 2023. As of December 31, 2023, the unlisted debt security was classified as Level 3 recurring fair value measurement. There was no transfer between different levels of the fair value hierarchy for the years ended December 31, 2021, 2022 and 2023. There has been no change in valuation technique used during the Track Record Period.

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Information about fair value measurement using significant unobservable inputs under level 3 fair value measurement:

	Valuation approach	Significant unobservable inputs	Range of estimates As of December 31,			Relationship of unobservable inputs to fair value
			2021	2022	2023	
Unlisted debt security	Asset-based approach	Discount for lack of control	–	–	20.8%	The higher the discount for lack of control, the lower the fair value

If all other variables held constant, a 5% higher/lower in discount for lack of control rate would have a decrease/increase the profit or loss for each of the years ended December 31, 2021, 2022 and 2023 by approximately RMBnil, RMBnil and RMB69,000, respectively.

The Company

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Non-current assets			
Unlisted debt security	–	–	5,245
Current assets			
Structured deposits	–	25,155	–
	<u>–</u>	<u>25,155</u>	<u>5,245</u>

The Company’s unlisted debt security represents investment in an unlisted investment fund incorporated in the PRC. This investment fund is principally engaged in trading of securities.

The Company’s structured deposits represent RMB-denominated structured deposits. The expected annual interest rate for the structured deposits be received is uncertain until maturity. The annual expected return rates range from 1.20% to 4.00%.

Information about valuation technique and key inputs:

	Fair value hierarchy	Valuation technique and key inputs
Unlisted debt security	Level 3	Asset-based approach with adjustment on discount for lack of control
Structured deposits	Level 2	Redemption value quoted by banks with reference to the expected return of the underlying assets

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The movements during the Track Record Period of the unlisted debt security at level 3 fair value measurement are set out below:

	Year ended December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
At the beginning of the year	–	–	–
Addition	–	–	6,667
Fair value changes	–	–	(1,422)
	<u>–</u>	<u>–</u>	<u>(1,422)</u>
At the end of the year	<u>–</u>	<u>–</u>	<u>5,245</u>

The unlisted debt security was valued by independent qualified professional valuer as of December 31, 2023. As of December 31, 2023, the unlisted debt security was classified as Level 3 recurring fair value measurement. There was no transfer between different levels of the fair value hierarchy for the years ended December 31, 2021, 2022 and 2023. There has been no change in valuation technique used during the Track Record Period.

Information about fair value measurement using significant unobservable inputs under level 3 fair value measurement:

	Valuation approach	Significant unobservable inputs	Range of estimates As of December 31,			Relationship of unobservable inputs to fair value
			2021	2022	2023	
Unlisted debt security	Asset-based approach	Discount for lack of control	–	–	20.80%	The higher the discount for lack of control, the lower the fair value

If all other variables held constant, a 5% higher/lower in discount for lack of control rate would have a decrease/increase the profit or loss for each of the years ended December 31, 2021, 2022 and 2023 by approximately RMBnil, RMBnil and RMB69,000, respectively.

26. TRADE PAYABLES

The Group

	As of December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Trade payables	<u>37,450</u>	<u>36,672</u>	<u>61,491</u>

A credit period of up to 3 months, if applicable, from the date of billing is generally granted by the Group’s trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Group’s trade payables as of the end of each reporting period is as follows:

	As of December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Within one year	36,389	30,179	50,130
1-2 years	775	6,086	7,959
Over 2 years	286	407	3,402
	<u>37,450</u>	<u>36,672</u>	<u>61,491</u>

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The Group’s trade payables are short-term in nature and hence, the carrying amount of trade payables are considered to approximate to their fair value.

The Company

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	36,275	31,218	57,096

A credit period of up to 3 months, if applicable, from the date of billing is generally granted by the Company’s trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Company’s trade payables as of the end of each reporting period is as follows:

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within one year	35,215	24,730	45,740
1-2 years	775	6,082	7,959
Over 2 years	285	406	3,397
	<u>36,275</u>	<u>31,218</u>	<u>57,096</u>

The Company’s trade payables are short-term in nature and hence, the carrying amount of trade payables are considered to approximate to their fair value.

27. OTHER PAYABLES AND ACCRUALS

The Group

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Deposits received	130	130	82
Other payables	39	37	22
Other tax payables	2,457	3,785	1,453
Construction costs payable	15,566	27,205	2,054
Accruals	4,921	8,317	5,934
Accrued [REDACTED] expenses	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<u>23,113</u>	<u>39,474</u>	<u>19,816</u>

As of December 31, 2021, 2022 and 2023, all other payables and accruals were non-interest bearing, unsecured and repayable on demand.

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The Company

	As of December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Deposits received	130	130	82
Other payables	39	37	22
Other tax payables	2,000	3,310	1,230
Construction costs payable	15,566	27,205	2,054
Accruals	4,361	7,464	5,415
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
	<u>22,096</u>	<u>38,146</u>	<u>19,074</u>

As of December 31, 2021, 2022 and 2023, all other payables and accruals were non-interest bearing, unsecured and repayable on demand.

28. LEASE LIABILITIES

The Group and the Company

The Group and the Company lease properties to operate its business. These leases are typically made for fixed terms of 2 years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

The Group and the Company also lease properties with term of less than one year. These leases are short-term and the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

Present value of future lease payments of the leases is analyzed as follows:

	As of December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Current	–	43	–
Non-current	–	22	–
	<u>–</u>	<u>65</u>	<u>–</u>

Movement of the lease liabilities is analyzed as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
At the beginning of the year	787	–	65
Addition of new leases	–	86	–
Interest expense	9	1	1
Capital element of lease payments	(787)	(21)	(32)
Interest element of lease payments	(9)	(1)	(1)
Termination of leases	–	–	(33)
At the end of the year	<u>–</u>	<u>65</u>	<u>–</u>

Total cash outflows in respect of the capital element of lease liabilities for the years ended December 31, 2021, 2022 and 2023 were RMB787,000, RMB21,000 and RMB32,000, respectively.

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The future lease payments of the Group’s and the Company’s leases (excluding short-term leases) were scheduled to repay as follows:

	Minimum lease payments <i>RMB’000</i>	Future interest expenses <i>RMB’000</i>	Present value <i>RMB’000</i>
As of December 31, 2021			
– within 1 year	–	–	–
– 1 to 2 years, inclusive	–	–	–
– 3 to 5 years, inclusive	–	–	–
– over 5 years	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>	<u>–</u>
As of December 31, 2022			
– within 1 year	44	(1)	43
– 1 to 2 years, inclusive	22	–	22
– 3 to 5 years, inclusive	–	–	–
– over 5 years	–	–	–
	<u>66</u>	<u>(1)</u>	<u>65</u>
	<u>66</u>	<u>(1)</u>	<u>65</u>
As of December 31, 2023			
– within 1 year	–	–	–
– 1 to 2 years, inclusive	–	–	–
– 3 to 5 years, inclusive	–	–	–
– over 5 years	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>	<u>–</u>

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29. SHARE CAPITAL

The Company

	Number of shares
<i>Authorized</i>	
Ordinary shares of RMB1.00 each	
At January 1, 2021, December 31, 2021, January 1, 2022, December 31, 2022, January 1, 2023 and December 31, 2023	45,300,000

<i>Issued</i>	Number of shares in issue	Share capital RMB’000	Share premium RMB’000
At January 1, 2021, December 31, 2021, January 1, 2022, December 31, 2022, January 1, 2023 and December 31, 2023	45,300,000	45,300	426,720

30. RESERVES

The Group and the Company

The Group’s and the Company’s reserves and the movements therein for the years ended December 31, 2021, 2022 and 2023 are presented in the consolidated statements of changes in equity and the summary to the Company’s reserve as set out below, respectively.

Summary to the Company’s reserve is as follows:

	Share premium* RMB’000 (Note 30(a))	Capital reserve* RMB’000 (Note 30(b))	FVOCI reserve* RMB’000 (Note 30(c))	Statutory reserve* RMB’000 (Note 30(e))	Retained earnings* RMB’000 (Note 30(f))	Total reserve RMB’000
At January 1, 2021	426,720	67	30,722	8,016	21,996	487,521
Profit for the year	–	–	–	–	46,271	46,271
Changes in fair value of financial assets at FVOCI, net of tax	–	–	33,438	–	–	33,438
Total comprehensive income for the year	–	–	33,438	–	46,271	79,709
Equity-settled share-based transactions (Note 36)	–	400	–	–	–	400
Dividend declared (Note 12)	–	–	–	–	(20,000)	(20,000)
Transfer of retained earnings	–	–	–	4,625	(4,625)	–
Balance at December 31, 2021	426,720	467	64,160	12,641	43,642	547,630

* These reserve accounts comprise the reserves as of December 31, 2021, 2022 and 2023 in the Company’s statements of financial position.

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	Share premium* RMB’000 <i>(Note 30(a))</i>	Capital reserve* RMB’000 <i>(Note 30(b))</i>	FVOCI reserve* RMB’000 <i>(Note 30(c))</i>	Statutory reserve* RMB’000 <i>(Note 30(e))</i>	Retained earnings* RMB’000 <i>(Note 30(f))</i>	Total reserve RMB’000
Balance at January 1, 2022	426,720	467	64,160	12,641	43,642	547,630
Profit for the year	–	–	–	–	41,172	41,172
Changes in fair value of financial assets at FVOCI, net of tax	–	–	(9,403)	–	–	(9,403)
Total comprehensive (expense)/income for the year	–	–	(9,403)	–	41,172	31,769
Equity-settled share-based transactions <i>(Note 36)</i>	–	435	–	–	–	435
Transfer of retained earnings	–	–	–	3,982	(3,982)	–
Balance at December 31, 2022	<u>426,720</u>	<u>902</u>	<u>54,757</u>	<u>16,623</u>	<u>80,832</u>	<u>579,834</u>
Balance at January 1, 2023	426,720	902	54,757	16,623	80,832	579,834
Profit for the year	–	–	–	–	33,079	33,079
Changes in fair value of financial assets at FVOCI, net of tax	–	–	(11,597)	–	–	(11,597)
Total comprehensive income for the year	–	–	(11,597)	–	33,079	21,482
Equity-settled share-based transactions <i>(Note 36)</i>	–	442	–	–	–	442
Deemed distribution to a shareholder <i>(Note 41)</i>	–	–	–	–	(22,000)	(22,000)
Transfer of retained earnings	–	–	–	1,416	(1,416)	–
Balance at December 31, 2023	<u>426,720</u>	<u>1,344</u>	<u>43,160</u>	<u>18,039</u>	<u>90,495</u>	<u>579,758</u>

* These reserve accounts comprise the reserves as of December 31, 2021, 2022 and 2023 in the Company’s statements of financial position.

(a) Share premium

Share premium represents the excess of issuing price over the nominal values of ordinary shares.

(b) Capital reserve

As detailed in Note 36, one of the Company’s shareholders has awarded of his own shares as equity-settled share-based remuneration for the Group’s employees and directors in exchange for their services provided to the Group. Since the Group has no obligation to settle these awards, they represent a capital contribution from the shareholder.

(c) FVOCI reserve

FVOCI reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of each reporting period.

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(d) Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of group entities whose the functional currencies are not RMB.

(e) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, PRC group entities are required to appropriate 10% of their net profits after tax, as determined under the generally accepted accounting principles of the PRC, to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the group entities, the statutory reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the group entities. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(f) Retained earnings

Cumulative net gains and losses recognized in profit or loss.

31. NON-CONTROLLING INTERESTS

The Group

	Year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	(347)	(392)	(357)
(Loss)/profit for the year	(45)	35	310
	<u> </u>	<u> </u>	<u> </u>
At the end of the year	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

32. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

As of December 31, 2021, 2022 and 2023, the balances are unsecured, interest-free and repayable on demand.

33. NOTES SUPPORTING TO CONSOLIDATED STATEMENTS OF CASH FLOWS

The table below shows the details changes in the Group’s liabilities arising from financing activities. Liabilities arising from financing activities are those for which each cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows from financing activities.

	Dividend payable	Borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2021	–	–	787	787
Changes from financing cash flows:				
Proceeds from bank borrowings	–	20,000	–	20,000
Repayments of bank borrowings	–	(20,000)	–	(20,000)
Repayment of lease liabilities	–	–	(787)	(787)
Interest paid	–	(145)	(9)	(154)
Dividend paid	(20,000)	–	–	(20,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total changes from financing cash flows	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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	Dividend payable <i>RMB’000</i>	Borrowings <i>RMB’000</i>	Lease liabilities <i>RMB’000</i>	Total <i>RMB’000</i>
Other changes:				
Interest expenses	–	145	9	154
Dividend declared	20,000	–	–	20,000
Total other changes	20,000	145	9	20,154
At December 31, 2021	–	–	–	–
Dividend payable <i>RMB’000</i>				
Borrowings <i>RMB’000</i>				
Lease liabilities <i>RMB’000</i>				
Total <i>RMB’000</i>				
At January 1, 2022	–	–	–	–
Changes from financing cash flows:				
Repayments of lease liabilities	–	–	(21)	(21)
Interest paid	–	–	(1)	(1)
Total changes from financing cash flows	–	–	(22)	(22)
Other changes:				
Interest expenses	–	–	1	1
New leases	–	–	86	86
Total other changes	–	–	87	87
At December 31, 2022	–	–	65	65
Dividend payable <i>RMB’000</i>				
Borrowings <i>RMB’000</i>				
Lease liabilities <i>RMB’000</i>				
Total <i>RMB’000</i>				
At January 1, 2023	–	–	65	65
Changes from financing cash flows:				
Repayments of lease liabilities	–	–	(32)	(32)
Interest paid	–	–	(1)	(1)
Total changes from financing cash flows	–	–	(33)	(33)
Other changes:				
Interest expenses	–	–	1	1
Termination of leases	–	–	(33)	(33)
Total other changes	–	–	(32)	(32)
At December 31, 2023	–	–	–	–

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34. CAPITAL COMMITMENTS

The Group

As of December 31, 2021, 2022 and 2023, the Group had outstanding capital commitments as follows:

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Contracted, but not provided for:			
– Construction-in-progress	15,851	–	–
– Office equipment	3,851	–	–
– Leasehold improvements	9,908	–	–
– Financial assets at FVTPL	–	–	13,333
	<u>29,610</u>	<u>–</u>	<u>13,333</u>

The Company

As of December 31, 2021, 2022 and 2023, the Company had outstanding capital commitments as follows:

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Contracted, but not provided for:			
– Construction-in-progress	15,851	–	–
– Office equipment	3,851	–	–
– Leasehold improvements	9,908	–	–
– Financial assets at FVTPL	–	–	13,333
– Capital contribution payable to subsidiaries	4,280	4,230	4,230
	<u>33,890</u>	<u>4,230</u>	<u>17,563</u>

35. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group:

Name of related parties	Relationship with the Group
JD Technology Holding Co., Ltd.* (京東科技控股股份有限公司)	Shareholder of the Company
Beijing Chuanrui Hongke Technology Co., Ltd.* (北京創銳弘科技術有限公司)	Company controlled by a significant shareholder
Jiangsu JD Information Technology Co., Ltd.* (江蘇京東信息技術有限公司)	Company subject to common significant influence
Jiangsu Jingdong Xuke Information Technology Co., Ltd.* (江蘇京東旭科信息技術有限公司)	Company subject to common significant influence

- * The English translation of terms or names in Chinese which are marked with “*” is for identification purposes only. In the event of any inconsistency, the Chinese terms or names shall prevail.

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- (b) The Group entered into the following related party transactions with related companies during the Track Record Period:

	Year ended December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Shareholder			
Provision of API marketplace services	26	–	–
Related companies			
Purchase of API marketplace services	1	–	–
Provision of API marketplace services	5,537	4,922	5,056

The terms of the related party transactions carried out during the Track Record Period were mutually agreed by the Group and the related companies.

- (c) **Balance with related parties**

	As of December 31,		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Trade receivables			
Jiangsu JD Information Technology Co., Ltd.	109	109	109
Jiangsu Jingdong Xuke Information Technology Co., Ltd.	614	2,809	5,497
Prepayments, deposits and other receivables			
Beijing Chuanrui Hongke Technology Co., Ltd.	44	44	44
Contract liabilities			
Jiangsu JD Information Technology Co., Ltd.	13	–	13

All of the above related party balances are of trade nature.

- (d) **Compensation of key management personnel of the Group**

The compensation of key management personnel of the Group during the Track Record Period represented the directors’ emoluments as disclosed in Note 14(a) to the Historical Financial Information.

36. SHARE-BASED PAYMENTS

One of the Company’s shareholders operates an equity-settled share-based remuneration scheme by granting awards of his own shares to the employees and directors of the Group in exchange for their services provided to the Group.

On November 1, 2020 and March 1, 2022, the Company’s shareholder granted a total of 428,000 and 42,800 of its own shares, respectively, to certain eligible persons within the Group. These grants allow the eligible persons to purchase ordinary shares of the shareholder’s equity under the Employee Share Award Scheme (the “Scheme”). The shares vest five years from the date of issue. If an eligible person leaves the Company within this five-year period, he/she is obligated to sell the shares back to the issuer at the original price.

The fair value of the awarded shares is determined by the total number of shares awarded and exercised, multiplied by the fair value of the shares on the grant date. The fair value of the shares awarded by the shareholder granted on November 1, 2020 of RMB2,163,000 was primarily established with reference to a recent equity transaction of the Company close to the grant date. The fair value of the shares awarded by the shareholder granted on March 1, 2022 of RMB86,000 was primarily established using market approach with reference to price-to-earning multiple by referring to other similar companies and a discounted rate for lack of marketability. The share-based payment expenses of RMB400,000, RMB435,000 and RMB442,000, respectively were charged to profit or loss of the Group during the years ended December 31, 2021, 2022 and 2023.

No share awards were forfeited during the years ended December 31, 2021, 2022 and 2023.

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37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings, respectively.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends, new shares issue and share buy back as well as the issue of new debts or redemption of existing debt, if necessary.

Management regards total equity as capital. The amount of capital as of December 31, 2021, 2022 and 2023 amounted to approximately RMB595,123,000, RMB626,955,000 and RMB628,417,000, respectively, which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

38. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The Group

The following table shows the carrying amounts of financial assets and liabilities of the Group:

	As of December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets			
<i>Financial assets at FVOCI:</i>			
Financial assets at FVOCI	88,189	75,954	61,700
<i>Financial assets at amortized cost:</i>			
Trade receivables	91,203	123,973	175,077
Deposits and other receivables	2,019	4,320	2,007
Cash and cash equivalents	182,287	168,470	124,417
Time deposits	–	30,000	80,000
	<u>275,509</u>	<u>326,763</u>	<u>381,501</u>
<i>Financial assets at FVTPL:</i>			
Financial assets at FVTPL	<u>103,066</u>	<u>35,155</u>	<u>5,245</u>
Financial liabilities			
<i>Financial liabilities measured at amortized cost:</i>			
Trade payables	37,450	36,672	61,491
Other payables and accruals	20,656	35,689	18,363
Lease liabilities	–	65	–
Repurchase liabilities	–	–	23,013
	<u>58,106</u>	<u>72,426</u>	<u>102,867</u>

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The Company

The following table shows the carrying amounts of financial assets and liabilities of the Company:

	As of December 31,		
	2021 RMB’000	2022 RMB’000	2023 RMB’000
Financial assets			
<i>Financial assets at FVOCI:</i>			
Financial assets at FVOCI	85,882	74,819	61,176
<i>Financial assets at amortized cost:</i>			
Trade receivables	89,479	117,105	168,481
Deposits and other receivables	1,847	3,985	1,583
Amounts due from subsidiaries	130,015	21,359	6,037
Cash and cash equivalents	142,797	130,733	90,585
Time deposits	–	30,000	80,000
	<u>364,138</u>	<u>303,182</u>	<u>346,686</u>
<i>Financial assets at FVTPL:</i>			
Financial assets at FVTPL	–	25,155	5,245
Financial liabilities			
<i>Financial liabilities measured at amortized cost:</i>			
Trade payables	36,275	31,218	57,096
Amounts due to subsidiaries	83,863	56,306	47,525
Other payables and accruals	20,096	34,836	17,844
Lease liabilities	–	65	–
Repurchase liabilities	–	–	23,013
	<u>140,234</u>	<u>122,425</u>	<u>145,478</u>

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group’s financial instruments in the normal course of the Group’s business are interest rate risk, credit risk, liquidity risk, equity price risk and foreign currency risk. These risks are limited by the Group’s financial management policies and practices described below. Generally, the Group introduces conservative strategies on its risk management. The Group has not used any derivatives and other instruments for hedging purposes nor does it hold or issue derivative financial instruments for trading purposes.

(a) Interest rate risk

The Group’s interest-bearing financial instruments at variable rates as of December 31, 2021, 2022 and 2023 are the cash at bank and time deposits except for fixed deposits, and the cash flow interest risk arising from the change of market interest rate on these balances of relatively short maturity is not considered significant. The Group’s interest-bearing financial instruments at fixed interest rates as of December 31, 2021, 2022 and 2023 are fixed deposits and the change of market interest rate does not expose the Group to fair value interest risk. The directors of the Company consider that the Group’s exposure to interest rate risk is not significant and no sensitivity analysis of interest rate risk is presented.

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(b) Credit risk

The Group’s credit risk is primarily attributable to its trade receivables, deposits and other receivables and contract assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, deposits and other receivables and contract assets, credit evaluations are performed on all debtors. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers and, where appropriate, credit guarantee insurance cover is purchased. Trade receivables are due from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. 15.9%, 19.3%, 24.3% and 38.2%, 40.5%, 58.1% of the Group’s trade receivables, deposits and other receivables and contract assets was due from the Group’s largest customer and the five largest customers respectively as of December 31, 2021, 2022 and 2023, respectively.

The Group

(i) Trade receivables/contract assets

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, individually and collectively using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables and contract assets as of the end of each reporting period:

	Unbilled and not yet past due	1 – 3 months	4 – 6 months	7 – 9 months	10 – 12 months	Over 12 months	Individually assessed	Total
At December 31, 2021								
Expected loss rate (%)	0.62%	1.42%	4.72%	15.74%	46.19%	100.00%	100.00%	
Gross carrying amount (RMB’000)	92,442	352	106	–	–	22	3,475	96,397
Loss allowance (RMB’000)	570	5	5	–	–	22	3,475	4,077
At December 31, 2022								
Expected loss rate (%)	0.66%	2.10%	6.14%	21.63%	45.69%	100.00%	100.00%	
Gross carrying amount (RMB’000)	119,414	6,281	668	1,646	2,355	–	3,475	133,839
Loss allowance (RMB’000)	792	132	41	356	1,076	–	3,475	5,872
At December 31, 2023								
Expected loss rate (%)	0.43%	4.24%	13.35%	40.65%	61.01%	100.00%	100.00%	
Gross carrying amount (RMB’000)	161,917	7,335	4,007	5,265	5,368	5,460	3,475	192,827
Loss allowance (RMB’000)	689	311	535	2,140	3,275	5,460	3,475	15,885

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Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the Track Record Period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Due to slower collection of past due receivables as the customers were still recovering from the negative financial impact of the COVID-19 pandemic, the expected loss rate for 7-9 months increased from 15.74% to 21.63% as of December 31, 2022 and further increased to 40.65% as of December 31, 2023 because of same reason.

The expected loss rate for 10-12 months remained stable at 46.19% and 45.69%, respectively, as of December 31, 2021 and 2022. It increased to 61.01% as of December 31, 2023 because of slow settlement from the customers.

Movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
At the beginning of the year	3,633	4,070	5,845
Provision for loss allowance	437	1,775	10,032
	<u>4,070</u>	<u>5,845</u>	<u>15,877</u>

Changes in loss allowance for impairment of trade receivables during the Track Record Period were mainly contributed from the followings:

- For the years ended December 31, 2021, 2022 and 2023, increase in the ending balances of trade receivables resulted in an increase in loss allowance of RMB437,000, RMB1,775,000 and RMB10,032,000, respectively.

Movements in the loss allowance for impairment of contract assets are as follows:

	Year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
At the beginning of the year	1	7	27
Provision for/(reversal of) loss allowance	6	20	(19)
	<u>7</u>	<u>27</u>	<u>8</u>

Changes in loss allowance for impairment of contract assets during the Track Record Period were mainly contributed from the followings:

- For the years ended December 31, 2021 and 2022, increase in the ending balances of contract assets resulted in an increase in loss allowance of RMB6,000 and RMB20,000, respectively.
- For the year ended December 31, 2023, decrease in the ending balance of contract assets resulted in a decrease in loss allowance of RMB19,000.

(ii) Deposits and other receivables

In respect of deposits and other receivables, the Group has applied the general approach prescribed by IFRS 9, by measuring loss allowance at an amount equal to 12-month ECLs for deposits and other receivables. To measure the ECLs, deposits and other receivables have been grouped based on shared credit risk characteristics, ECLs are estimated based on historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

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As of the end of each reporting period, all deposits and other receivables are measured at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The following table provides information about the Group’s exposure to credit risk and ECLs for deposits and other receivables:

	As of December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Gross carrying amount			
– Deposits and other receivables	<u>3,048</u>	<u>4,612</u>	<u>2,201</u>
Loss allowance			
– Deposits and other receivables	<u>1,029</u>	<u>292</u>	<u>194</u>

Movements in the loss allowance account for impairment of deposits and other receivables are as follows:

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At the beginning of the year	1,044	1,029	292
Reversal for loss allowance	(25)	(727)	(98)
Written-off/(written back)	<u>10</u>	<u>(10)</u>	<u>–</u>
At the end of the year	<u>1,029</u>	<u>292</u>	<u>194</u>

Changes in loss allowance for impairment of deposits and other receivables during the Track Record Period were mainly contributed from the followings:

- For the years ended December 31, 2021, 2022 and 2023 decrease in the long term outstanding balances of deposits and other receivables resulted in a decrease in loss allowance of RMB25,000, RMB727,000 and RMB98,000, respectively.

In respect of the Group’s cash and cash equivalents and restricted bank deposits, the directors of the Company consider the probability of default is low on these balances since the counterparties are financial institutions with high credit ratings or with good reputation.

The Company

(ii) Trade receivables/contract assets

The Company measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, individually and collectively using a provision matrix. As the Company’s historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Company’s different customer bases.

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The following table provides information about the Company’s exposure to credit risk and ECLs for trade receivables and contract assets as of the end of each reporting period:

	Unbilled and not yet past due	1 – 3 months	4 – 6 months	7 – 9 months	10 – 12 months	Over 12 months	Total
At December 31, 2021							
Expected loss rate (%)	0.62%	1.42%	4.72%	15.74%	46.19%	100.00%	
Gross carrying amount (RMB’000)	90,707	352	106	–	–	22	91,187
Loss allowance (RMB’000)	559	5	5	–	–	22	591
At December 31, 2022							
Expected loss rate (%)	0.66%	2.10%	6.14%	21.63%	45.69%	100.00%	
Gross carrying amount (RMB’000)	112,499	6,281	668	1,646	2,355	–	123,449
Loss allowance (RMB’000)	745	132	41	356	1,076	–	2,350
At December 31, 2023							
Expected loss rate (%)	0.43%	4.24%	13.35%	40.65%	61.01%	100.00%	
Gross carrying amount (RMB’000)	155,293	7,335	4,007	5,265	5,368	5,460	182,728
Loss allowance (RMB’000)	661	311	535	2,140	3,275	5,460	12,382

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the Track Record Period over which the historic data has been collected, current conditions and the Company’s view of economic conditions over the expected lives of the receivables.

Due to slower collection of past due receivables as the customers were still recovering from the negative financial impact of the COVID-19 pandemic, the expected loss rate for 7-9 months increased from 15.74% to 21.63% as of December 31, 2022 and further increased to 40.65% as of December 31, 2023 because of same reason.

The expected loss rate for 10-12 months remained stable at 46.19% and 45.69%, respectively, as of December 31, 2021 and 2022. It increased to 61.01% as of December 31, 2023 because of slow settlement from the customers.

Movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended December 31,		
	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At the beginning of the year	265	584	2,323
Provision for loss allowance	319	1,739	10,051
At the end of the year	<u>584</u>	<u>2,323</u>	<u>12,374</u>

Changes in loss allowance for impairment of trade receivables during the Track Record Period were mainly contributed from the followings:

- For the years ended December 31, 2021, 2022 and 2023, increase in the ending balances of trade receivables resulted in an increase in loss allowance of RMB319,000, RMB1,739,000 and RMB10,051,000, respectively.

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Movements in the loss allowance for impairment of contract assets are as follows:

	Year ended December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
At the beginning of the year	1	7	27
Provision for/(reversal of) loss allowance	6	20	(19)
At the end of the year	<u>7</u>	<u>27</u>	<u>8</u>

Changes in loss allowance for impairment of contract assets during the Track Record Period were mainly contributed from the followings:

- For the years ended December 31, 2021 and 2022, increase in the ending balances of contract assets resulted in an increase in loss allowance of RMB6,000 and RMB20,000, respectively.
- For the year ended December 31, 2023, decrease in the ending balance of contract assets resulted in a decrease in loss allowance of RMB19,000.

(ii) Deposits and other receivables

In respect of deposits and other receivables, the Company has applied the general approach prescribed by IFRS 9, by measuring loss allowance at an amount equal to 12-month ECLs for deposits and other receivables. To measure the ECLs, deposits and other receivables have been grouped based on shared credit risk characteristics, ECLs are estimated based on historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

As of the end of each reporting period, all deposits and other receivables are measured at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The following table provides information about the Company’s exposure to credit risk and ECLs for deposits and other receivables:

	As of December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
Gross carrying amount			
- Deposits and other receivables	<u>2,772</u>	<u>4,169</u>	<u>1,647</u>
Loss allowance			
- Deposits and other receivables	<u>925</u>	<u>184</u>	<u>64</u>

Movements in the loss allowance account for impairment of deposits and other receivables are as follows:

	Year ended December 31,		
	2021 RMB'000	2022 RMB'000	2023 RMB'000
At the beginning of the year	896	925	184
Provision for/(reversal of) loss allowance	29	(741)	(120)
At the end of the year	<u>925</u>	<u>184</u>	<u>64</u>

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Changes in loss allowance for impairment of deposits and other receivables during the Track Record Period were mainly contributed from the followings:

- For the year ended December 31, 2021, increase in the long term outstanding balances of deposits and other receivables resulted in an increase in loss allowance of RMB29,000.
- For the years ended December 31, 2022 and 2023, decrease in the long term outstanding balances of deposits and other receivables resulted in a decrease in loss allowance of RMB741,000 and RMB120,000, respectively.

In respect of the Company’s cash and cash equivalents and restricted bank deposits, the directors of the Company consider the probability of default is low on these balances since the counterparties are financial institutions with high credit ratings or with good reputation.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group’s short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

The following tables detail the Group’s remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amounts are derived from current interest rate at the end of each reporting period.

The Group

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of December 31, 2021						
Trade payables	37,450	37,450	37,450	–	–	–
Other payables and accruals	20,656	20,656	20,656	–	–	–
	<u>58,106</u>	<u>58,106</u>	<u>58,106</u>	<u>–</u>	<u>–</u>	<u>–</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of December 31, 2022						
Trade payables	36,672	36,672	36,672	–	–	–
Other payables and accruals	35,689	35,689	35,689	–	–	–
Lease liabilities	65	66	44	22	–	–
	<u>72,426</u>	<u>72,427</u>	<u>72,405</u>	<u>22</u>	<u>–</u>	<u>–</u>

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ACCOUNTANTS’ REPORT

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of December 31, 2023						
Trade payables	61,491	61,491	61,491	–	–	–
Other payables and accruals	18,363	18,363	18,363	–	–	–
Repurchase liabilities	23,013	24,200	24,200	–	–	–
	<u>102,867</u>	<u>104,054</u>	<u>104,054</u>	<u>–</u>	<u>–</u>	<u>–</u>

The Company

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of December 31, 2021						
Trade payables	36,275	36,275	36,275	–	–	–
Amounts due to subsidiaries	83,863	83,863	83,863	–	–	–
Other payables and accruals	20,096	20,096	20,096	–	–	–
	<u>140,234</u>	<u>140,234</u>	<u>140,234</u>	<u>–</u>	<u>–</u>	<u>–</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As of December 31, 2022						
Trade payables	31,218	31,218	31,218	–	–	–
Amounts due to subsidiaries	56,306	56,306	56,306	–	–	–
Other payables and accruals	34,836	34,836	34,836	–	–	–
Lease liabilities	65	66	44	22	–	–
	<u>122,425</u>	<u>122,426</u>	<u>122,404</u>	<u>22</u>	<u>–</u>	<u>–</u>

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	Carrying amount <i>RMB'000</i>	Total contractual undiscounted cash flows <i>RMB'000</i>	Within 1 year or on demand <i>RMB'000</i>	More than 1 year but less than 2 years <i>RMB'000</i>	More than 2 years but less than 5 years <i>RMB'000</i>	More than 5 years <i>RMB'000</i>
As of December 31, 2023						
Trade payables	57,096	57,096	57,096	–	–	–
Amounts due to subsidiaries	47,525	47,525	47,525	–	–	–
Other payables and accruals	17,844	17,844	17,844	–	–	–
Repurchase liabilities	23,013	24,200	24,200	–	–	–
	<u>145,478</u>	<u>146,665</u>	<u>146,665</u>	<u>–</u>	<u>–</u>	<u>–</u>

(d) Equity price risk

The following table illustrates the sensitivity of the carrying amount of financial assets at FVOCI and FVTPL during the Track Record Period to a change in the significant unobservable inputs while all other variable held constant. A positive number below indicates an increase in total comprehensive income for the year. For a decrease in total comprehensive income for the year, the balance below would be negative.

The Group

	Year ended December 31,		
	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>
10% higher in the fair value of the investment	7,531	6,473	5,252
10% lower in the fair value of the investment	(7,531)	(6,473)	(5,252)

The Company

	Year ended December 31,		
	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>
10% higher in the fair value of the investment	7,300	6,360	5,200
10% lower in the fair value of the investment	(7,300)	(6,360)	(5,200)

(e) Foreign currency risk

Currency risk refers to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk to the Group is minimal as most of the Group’s transactions are carried out in functional currency of the respective entities.

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ACCOUNTANTS’ REPORT

40. FAIR VALUE MEASUREMENT

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial assets and liabilities is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities measured at fair value are grouped into the fair value hierarchy as follows:

The Group

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As of December 31, 2021				
Financial assets at FVOCI	–	–	88,189	88,189
Financial assets at FVTPL	–	103,066	–	103,066
	<u>–</u>	<u>103,066</u>	<u>–</u>	<u>103,066</u>
As of December 31, 2022				
Financial assets at FVOCI	–	–	75,954	75,954
Financial assets at FVTPL	–	35,155	–	35,155
	<u>–</u>	<u>35,155</u>	<u>–</u>	<u>35,155</u>
As of December 31, 2023				
Financial assets at FVOCI	–	–	61,700	61,700
Financial assets at FVTPL	–	–	5,245	5,245
	<u>–</u>	<u>–</u>	<u>5,245</u>	<u>5,245</u>

The Company

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As of December 31, 2021				
Financial assets at FVOCI	–	–	85,882	85,882
	<u>–</u>	<u>–</u>	<u>85,882</u>	<u>85,882</u>
As of December 31, 2022				
Financial assets at FVOCI	–	–	74,819	74,819
Financial assets at FVTPL	–	25,155	–	25,155
	<u>–</u>	<u>25,155</u>	<u>–</u>	<u>25,155</u>
As of December 31, 2023				
Financial assets at FVOCI	–	–	61,176	61,176
Financial assets at FVTPL	–	–	5,245	5,245
	<u>–</u>	<u>–</u>	<u>5,245</u>	<u>5,245</u>

The reconciliation from the opening to the closing balances of the financial assets at FVOCI and FVTPL under level 3 fair value measurement during the Track Record Period is disclosed in Note 20 and Note 25, respectively.

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ACCOUNTANTS’ REPORT

41. REPURCHASE LIABILITIES

The Group and the Company

On July 22, 2023, Mr. Zuo Lei, the largest shareholder and executive director of the Company, transferred his 369,111 shares of the Company to China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新蘇州工業園區創業投資有限公司) (“China-Singapore Ventures”) at a cash consideration of RMB22.0 million, pursuant to the share transfer agreement signed and executed on that day. If the Company fails to complete its initial [REDACTED] of shares on the Stock Exchange or any other securities exchange approved by China-Singapore Ventures by June 30, 2024, China-Singapore Ventures has the rights to issue a notice requiring the Company and Mr. Zuo Lei to repurchase all or part of the shares of the Company held by China-Singapore Ventures by cash at an amount based on relevant investment cost incurred by China-Singapore Ventures plus 10% interest per annum. The repurchase obligation of the Company and Mr. Zuo Lei is joint and several. According to the agreement, the aforementioned repurchase rights will automatically terminate and be void from the beginning on the day the Company submitted its [REDACTED] application; if the aforementioned [REDACTED] application is voluntarily withdrawn, returned in writing, revoked, or not approved for any reason, the rights of China-Singapore Ventures stipulated in these clauses shall be automatically resumed.

The repurchase obligation bore by the Group is initially recognized at present value of the redemption amount at approximately RMB22,000,000. The corresponding balance is considered as deemed distribution to a shareholder as the transaction is non-reciprocal in nature. During the Track Record Period, the unwinding of the discount of the repurchase liabilities amounted to approximately nil, nil, and RMB1,013,000 for the years ended December 31, 2021, 2022 and 2023, respectively. The carrying amounts of the repurchase liabilities were approximately nil, nil, and RMB23,013,000 as at December 31, 2021, 2022 and 2023, respectively.

42. CONTINGENCIES

As of December 31, 2021, 2022 and 2023, there were no significant contingencies items for the Group and the Company.

43. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements have been prepared by the Group and the Company or any of the companies comprising the Group in respect of any period subsequent to December 31, 2023.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with paragraph 4.29 of the Listing Rules is for illustrative purpose only, and is set forth here to illustrate the effect of the [REDACTED] on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 as if the [REDACTED] had taken place on December 31, 2023.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 or at any future dates following the [REDACTED]. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 as set out in the Accountants’ Report on historical financial information of the Group, the text of which is set out in Appendix I to this Document, and adjusted as described below.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 RMB’000 (Note 1)	Estimated impact related to the repurchase liabilities upon [REDACTED] [REDACTED] RMB’000 (Note 2)	Estimated impact related to the repurchase liabilities upon [REDACTED] [REDACTED] RMB’000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 RMB’000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 per Share RMB HK\$ (Note 4)
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Based on the

[REDACTED] of
HK\$[REDACTED]
per H Share

628,364	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 is extracted from the Accountants’ Report set out in Appendix I to this Document, which is based on the audited consolidated net assets of our Group attributable to owners of the Company as of December 31, 2023 of approximately RMB628,464,000 with an adjustment for intangible assets as of December 31, 2023 of approximately RMB100,000.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (2) The estimated [REDACTED] from the [REDACTED] are based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], after deduction of the estimated [REDACTED] fees and other related expenses payable by the Company which have not been reflected in consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023.
- (3) Upon [REDACTED], the repurchase rights of China-Singapore Ventures with details set out and disclosed in page [I-84] to this document will be terminated and the carrying amount of the repurchase liabilities of the Group from the obligations to purchase the Company's own equity instruments for cash will be reclassified to equity. Accordingly, for the purpose of the unaudited pro forma financial information, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company will be increased by RMB23,013,000, being the carrying amount of the repurchase liabilities as of December 31, 2023.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 per Share is calculated based on a total of [REDACTED] Shares in [REDACTED] immediately following the completion of the [REDACTED].
- (5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 per Share, the amounts stated in Renminbi are converted from or into Hong Kong dollars at an exchange rate of HK\$1.0 to RMB0.90826. No representation is made that RMB has been, could have been or may be converted into HK\$, or vice versa, at that rate.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2023 to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2023.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special provisions. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the "IIT Law"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Circular on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the STA on June 28, 2011, for a domestic non-foreign invested enterprise who has been issuing shares in Hong Kong, its foreign individual shareholders may enjoy the relevant preferential tax treatment according to the taxation agreement between the PRC and the country where they reside and the taxation arrangement between the PRC and Hong Kong (or Macau). When domestic non-foreign invested enterprises, which issue stocks in Hong Kong, pay dividends and bonus, in general, it will withhold 10% of the dividends and profits as individual income tax and no applications are needed. Where the individuals who receive the dividends are residents of countries where the agreed tax rate is lower than 10%, the withholding agent shall, according

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

to regulations provisions, handle the applications for relevant preferential treatments and refund the extra tax upon the approval of competent tax authorities. Where the individuals are residents of countries where the agreed tax rate is higher than 10% but lower than 20%, the withholding agent shall withhold the individual income tax according to the agreed actual tax rate when paying the dividends and bonuses and no applications are needed in such cases. Where the dividend receiving individuals are residents of countries which have not established tax treaties with China or other circumstances exist, the withholding agent shall withhold the individual income tax based on the rate of 20% when paying dividends and bonuses.

Enterprise Investor

In accordance with Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law") and the Regulations for the Implementation of the Law on Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法實施條例》), the rate of enterprise income tax shall be 25%. A non-resident enterprise is generally subject to a 10% corporate income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Corporate Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares.

Pursuant to the Arrangement between the Mainland of PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "Arrangement"), which was signed on August 21, 2006 and came into effect on August 12, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after

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taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

According to the VAT Law, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay VAT at the rate of 0%, 6%, 11% and 17% for the different goods it sells and different services it provides, except when specified otherwise.

According to the Value-added Tax Notice, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. Subsequently, the MOF, the STA and the General Administration of Customs of the PRC jointly issued the Announcement on Relevant Policies for Deepening Value-Added Tax Reform to further adjust the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods to 13% and 9%, respectively.

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to VAT (《關於全面推開營業稅改徵增值稅試點的通知》) (the "Circular 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that

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transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "**Local Additional Tax**"), which shall be usually subject to 12% of the value-added tax, business tax and consumption tax actually paid (if any).

Income tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the Ministry of Finance and the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended Individual Income Tax Law.

However, on December 31, 2009, the Ministry of Finance, SAT and China Securities Regulatory Commission jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), which promulgated on December 31, 2009 and came into effect since January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得

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徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was issued on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

Hong Kong Taxation

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital gains tax and profit tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently

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imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profit tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas

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individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

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According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

In accordance with the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the "SAFE Circular No. 21"), which was promulgated on 10 May, 2013 with effect from 13 May 2013, amended on 10 October, 2018 and partially abolished on 30 December, 2019. The SAFE Circular No. 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the SAFE Circular 19, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been onlent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

According to the SAFE Circular 16, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

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The SAFE Circular 28 cancelled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

APPENDIX IV

SUMMARY OF PRINCIPAL AND REGULATORY PROVISIONS

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023年修訂)》) (the “**Legislation Law**”), the National People’s Congress of the People’s Republic of China (the “NPC”) and the Standing Committee of the NPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC can authorize the Standing Committee of the NPC to formulate relevant laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration as well as the other organs endowed with administrative functions directly under the State Council and the organs prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization development, historical and cultural protection and grassroots governance based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

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The people’s governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations, separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people’s governments of the provinces or autonomous regions is greater than that of the rules enacted by the people’s governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people’s congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

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PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People’s Courts (《中華人民共和國人民法院組織法》), which was adopted in 1980 and amended in 1983, 1986, 2006 and 2018, the PRC judicial system is made up of the Supreme People’s Court, the local people’s courts and special people’s courts.

The local people’s courts are comprised of the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The higher level people’s courts supervise the primary and intermediate people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the civil proceedings of people’s courts of the same level and lower levels. The Supreme People’s Court is the highest judicial body in the PRC. It supervises the judicial administration of the people’s courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff’s or the defendant’s domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country’s judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people’s court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if

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the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

THE COMPANY LAW AND ADMINISTRATIVE MEASURES

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest revision of which would be implemented on July 1, 2024;
- According to the Overseas Listing Trial Measures and Guidelines on the Application of Regulatory Rules – No. 1 for Overseas Offering and Listing (《監管規則適用指引—境外發行上市類第1號》) which was promulgated by the CSRC on February 17, 2023, and came into effect on March 31, 2023, the domestic companies that directly offer and list securities in overseas markets, shall formulate their articles of association in line with the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “**PRC Guidelines on AoA**”) promulgated by the CSRC on March 16, 2006 and latest amended and implemented on December 15, 2023.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and PRC Guidelines on AoA applicable to our Company.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

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Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of two but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority. Joint stock limited companies established by the subscription method shall file the approval on the offering of shares issued by the securities administration department of the State Council with the company registration authority for record.

A joint stock limited company's promoters shall be liable for: (i) the payment of all expenses and debts incurred in the incorporation process jointly and severally if the company cannot be incorporated; (ii) the refund of subscription monies to the subscribers, together with interest, at bank rates for a deposit of the same term jointly and severally if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company.

Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights or land use rights based on their appraised value.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

A company may issue registered or bearer share. However, shares issued to promoter(s) or legal person(s) shall be in the form of registered share and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

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Under the Overseas Listing Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

To issue shares overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

To issue shares overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas.

Registered Shares

Under the Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, and land-use rights that may be valued in monetary term and may be transferred in accordance with the law.

Under the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

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Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval or filing of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts;
- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

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The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

The company shall not accept the shares of the company as the subject matter of the pledge.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

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Shareholders

Under the Company Law and the PRC Guidelines on AoA, the rights of holders of ordinary shares of a joint stock limited company include:

- to receive dividends and other distributions according to the number of shares held;
- to attend the general meeting in person or by proxy and exercise the right to vote on the number of shares held;
- to supervise, forward suggestions on or question the Company's operations;
- transfer, donate or pledge its shares in accordance with applicable laws and regulations and the company's Articles of Association;
- to inspect the company's Articles of Association, register of shareholders, counterfoil of creditor's rights, minutes of shareholders' meeting, resolutions of the board of directors, resolutions of the supervisory board and financial and accounting reports;
- to acquire the remaining assets of the company in proportion to its shareholding at the time of termination or liquidation;
- any shareholder who has a different view on a resolution on the merger or division of the Company made by a shareholders' general meeting has the right to require the Company to acquire its shares; and
- any other shareholder's rights specified in the laws, regulations and company's Articles of Association.

The obligations of the shareholders include to abide by the Articles of Association of the company, to pay the subscription amount for the subscribed shares, to bear the debts and liabilities of the company to the extent of the subscription amount agreed by the shareholders for the subscribed shares, not to abuse the rights of the shareholders to damage the interests of the company or other shareholders of the company, and not to abuse the independent status and limited liability of the company as a legal person to damage the interests of the creditors of the company, and any other shareholder's obligations under the company's Articles of Association.

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Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' general meeting exercises the following principal powers:

- to decide on the company's operational policies and investment plans;
- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposed annual financial budget and final accounts;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual general meetings are required to be held once every year. Under the Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;

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- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

Under the Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters

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shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; (iv) other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the Company Law, a joint stock limited company shall have a board of directors, which shall consist of 5 to 19 members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's proposed annual financial budget and final accounts;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;

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- to decide on the set-up of internal management organisation of the company;
- to decide on appointment or dismissal of company managers and their remuneration, and decide on appointment or dismissal of deputy managers and finance controller of the company based on the nomination by the managers;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

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Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or
- a person who is liable for a relatively large amount of debts that are overdue.

Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

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Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months. According to the PRC Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under this law;
- to initiate proposals for resolutions to shareholders' general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

According to the PRC Guidelines on AoA, the supervisors of the company shall comply with laws, administrative regulations and the Articles of Association and bear the responsibility of loyalty and diligence. They shall not take any bribe or other illegal gains by taking advantage of their authority and shall not take illegal possession of the company property.

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Manager and Senior Management

“Senior management” refers to the company’s manager, deputy manager, person-in-charge of finance, secretary to the board of directors of the listed company and other personnel specified in the Articles of Association.

The company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and exercise the following functions and powers:

- to manage the production and operation and administration of the company and arrange for the implementation of the resolutions of the board of directors;
- to arrange for the implementation of the company’s annual operation plans and investment proposals;
- to formulate proposals for the establishment of the company’s internal management organs;
- to formulate the fundamental management system of the company;
- to formulate the company’s specific rules and regulations;
- to recommend the appointment or dismissal of any deputy manager and any financial officer of the company;
- to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the board of directors);
- to attend meetings of the board of directors as non-voting participants; and
- other powers granted by the board of directors or the company’s Articles of Association.

According to the PRC Guidelines on AoA, other senior management personnel of the company include the deputy managers, the Secretary of the board of directors, the person in charge of finance, and other personnel specified in the Articles of Association of the company. The disqualification of a director of a company shall also apply to the managers and officers of the company. The company’s Articles of Association are binding on the company’s shareholders, directors, supervisors, managers and other management personnel. Such persons shall have the right to exercise their respective rights, apply for arbitration and conduct legal proceedings in accordance with the Articles of Association of the company.

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According to the PRC Guidelines on AoA, the senior management shall have responsibility of loyalty and shall faithfully perform their respective duties and safeguard the best interests of the company and all the shareholders. The senior management fails to perform his/her duties faithfully or breaches his/her obligation of good faith and causes losses to the company or public shareholders, the senior management shall be liable for compensation.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors and senior management are prohibited from:

- misappropriation of the company's capital;
- depositing the company's capital into accounts under his own name or the name of other individuals;
- loaning company funds to others or providing guarantees in favor of others supported by the company's assets in violation of the articles of association or without prior approval of the shareholders' general meeting or board of directors;
- entering into contracts or deals with the company in violation of the articles of association or without prior approval of the shareholders' general meeting;
- using their position and powers to procure business opportunities for themselves or others that should have otherwise been available to the company or operating for their own benefits or managing on behalf of others businesses similar to that of the company without prior approval of the shareholders' general meeting;
- accepting and possessing commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable to the company.

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Where the general meeting of shareholders requires directors, supervisors or other senior management personnel to attend the meeting as non-voting delegates, the directors, supervisors or other senior management personnel shall attend as non-voting delegates and accept the shareholders' questions. The directors and senior management personnel shall truthfully provide the supervisory board with relevant information and materials, and shall not hinder the supervisory board from exercising its functions and powers.

The company shall not directly or through its subsidiaries provide loans to any director, supervisor or senior management personnel, and shall regularly disclose to the shareholders the remuneration of the director, supervisor or senior management personnel from the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. It must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

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The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The Company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. However, the capital reserve fund may not be applied to make up the company's losses. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

According to the PRC Guidelines on AoA, a company shall engage an accounting firm which is qualified with The Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The term of engagement is one year and may be extended.

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

If the company dismisses or does not continue to employ auditors, it shall notify the auditors in advance in accordance with the PRC Guidelines on AoA, and the auditors have the right to present their opinions to the general meeting of shareholders.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

In the event of (i) above, it may carry on its existence by amending its articles of association. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors or the personnel appointed by the shareholders' general meeting. If a liquidation group is not established within the stipulated period, creditors may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

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The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Loss of Share Certificates

If a registered share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

APPENDIX IV

SUMMARY OF PRINCIPAL AND REGULATORY PROVISIONS

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

A merger agreement shall be signed by merging companies respectively and prepare balance sheets and inventory of property. The companies concerned shall within 10 days of the date of passing the resolution approving the merger notify their creditors and publicly announce the merger in newspapers within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle debts or provide relevant guarantees. When the company merged, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

When the company divided, the company's property shall be divided and a balance sheet and an inventory of property shall be prepared. The company should notify its creditors within 10 days of the date of making such resolution and publicly announce the division in newspapers within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the divided companies. However, unless otherwise agreement in writing is reached with creditors before the company's division in respect of the settlement of debts.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

APPENDIX IV

SUMMARY OF PRINCIPAL AND REGULATORY PROVISIONS

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The PRC Securities Law (《中華人民共和國證券法》) took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Overseas Listing

According to the Overseas Listing Trial Measures, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border investment and financing, foreign exchange management and crossborder RMB management.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law has also deleted provisions regarding suspension of listing.

The Securities Law removes the provisions regarding the suspension of listings while stating the following provisions for the termination of listings:

- securities to be listed for trading shall be terminated from listing by the stock exchange in accordance with the business rules where the circumstances leading to the termination of listing as prescribed by such stock exchange occurs;
- where a termination of listing for securities is determined by the stock exchange, an announcement shall be made in a timely manner and the record shall be filed with the security's regulatory authorities of the State Council; and

APPENDIX IV

SUMMARY OF PRINCIPAL AND REGULATORY PROVISIONS

- in the event of objection to a decision of disapproval or termination of listing made by the stock exchange, an application may be submitted to a review institution established by the stock exchange for review.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**Arbitration Law**”) was passed by the Standing Committee of the NPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”) adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

APPENDIX IV

SUMMARY OF PRINCIPAL AND REGULATORY PROVISIONS

An arrangement was reached between Hong Kong and the Supreme People’s Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000, and Supplementary Arrangements of Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), which promulgated on December 26, 2020. In accordance with these arrangements, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

Judicial judgment and its enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People’s Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People’s Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. “Choice of court agreement in written” refers to a written agreement defining the exclusive jurisdiction of either the People’s Court of China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meet certain conditions of the aforementioned regulations.



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The Board of Directors

Tianju Dihe (Suzhou) Technology Co., Ltd.

No. 9 Rongfu Street
Suzhou Industrial Park
Suzhou City, Jiangsu Province
The People’s Republic of China

Dear Sirs/Madams,

Re: Property Valuation of No. 9 Rongfu Street, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the People Republic of China (the “PRC”)

In accordance with the instructions of Tianju Dihe (Suzhou) Technology Co., Ltd. (the “Company”) to assess the market value of the captioned property located in PRC held by the Company, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 December 2023 (the “Valuation Date”) for [REDACTED] purpose.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

APPENDIX V

PROPERTY VALUATION

2. VALUATION METHODOLOGY

We have valued the property by direct comparison approach assuming sale of the property by making references to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

We have been provided with copies of title documents and have been advised by the Company that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuation, we have relied upon the advice given by the Company's PRC legal advisors, King & Wood Mallesons, regarding the title to the property located in the PRC.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property is sold in the market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the value of the property.

In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the property and no forced sale situation in any manner is assumed in our valuation.

In valuing the property, we have relied on the advice given by the Company and the Company's legal Advisors that the Company has valid and enforceable title to the property which is freely transferable, and has free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

APPENDIX V

PROPERTY VALUATION

6. VALUATION CONSIDERATION

Our inspection was performed by Ms. Annie Li in June 2023. We have inspected the exterior and, where possible, the interior of certain property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the property under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale or purchase. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, the monetary amounts stated in our valuation is in Renminbi ("RMB").

Our valuation certificate is attached herewith.

Yours faithfully,

For and on behalf of

RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

Dr. Alan W K Lee

PhD(BA) MFin BCom(Property)

MHKIS RPS(GP) AAPI CPV CPV(Business)

Co-Founder and Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 18 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

APPENDIX V

PROPERTY VALUATION

Property held by the Company for owner-occupation in the PRC

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2023
No. 9 Rongfu Street, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC (中國江蘇省蘇州市蘇州工業園區融富街9號)	<p>The property comprises of a 16-storey industrial building over a storey of basement car port containing 115 car parking spaces and a mezzanine floor containing parking spaces, together with a 3-storey podium with a site area of approximately 10,301.06 sq.m..</p> <p>As advised by the Company, The building was completed in about 2022.</p> <p>The property has a total gross floor area ("GFA") of approximately 25,461.89 sq.m..</p> <p>The property is a leasehold estate and it has been granted for a term expiring on 10 March 2066.</p>	<p>As advised by the Company, (i) a portion of the property with a total GFA of 15 sq.m. was subject to a tenancy in favour of one of its subsidiaries, Zhonghui Juhe, expiring on 27 June 2028 at an annual rent of RMB3,600 exclusive of utility fee; and (ii) a portion of the property with a total GFA of 60 sq.m. was subject to a tenancy in favour of one of its subsidiaries, Tianju Renhe, expiring on 4 July 2028 at an annual rent of RMB20,000 exclusive of utility fee.</p> <p>The remaining portion of the property was occupied by the Company as at the Valuation Date.</p>	RMB165,000,000

Notes:

1. Pursuant to a Real Estate Right Certificate Su (2023) Su Zhou Gong Ye Yuan Qu Bu Dong Chan Quan No. 0000157 (蘇(2023)蘇州工業園區不動產權第0000157號) dated 20 June 2023, the land use right of the property with a site area of approximately 10,301.06 sq.m. and the building ownership right of the property with a gross floor area of 25,461.89 sq.m. are held by Tianju Dihe (Suzhou) Technology Co., Ltd. for a term expiring on 10 March 2066 for industrial (R&D) use.
2. The inspection was performed by Ms. Annie Li, who is a member of Hong Kong Institute of Surveyors in June 2023.
3. We have been provided with a legal opinion on the property prepared by the Company's PRC legal Advisors, King & Wood Mallesons, which contains, inter alia, the following information:
 - a. The land use right and building ownership right owned by the Company that have obtained the title certificate are clearly defined; and
 - b. There are no restrictions on rights such as mortgages and freezes, and there are no property rights disputes.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on August 4, 2023 and amended on January 9, 2024 which shall become effective as at the date on which the H shares are [REDACTED] on the Stock Exchange. As the main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective investors. As discussed in the appendix headed “Appendix VIII – Documents Delivered to the Registrar of Companies and Available on Display” to this document, the full document of the Articles of Association in Chinese is available for examination.

DIRECTORS AND BOARD OF DIRECTORS

Power to allocate and issue Shares

Without violating laws and regulations as well as the statutory requirements of local laws and regulations in the place of [REDACTED], the general meeting may authorise or appoint the Board of Directors to act on its behalf, including but not limited to subject to applicable laws, regulations and Listing Rules, upon approval by a special resolution at general meeting, granting a general mandate for the Board of Directors to issue, allot and treat additional overseas [REDACTED] foreign shares, in the quantity not more than 20% (or even lower percentage required by applicable laws, regulations or Listing Rules) of overseas listed foreign shares [REDACTED] as of the date of the general meeting.

Power to dispose of our Company’s or any of our subsidiaries’ assets

The Board of Directors shall determine the authority of significant matters, such as external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, and establish strict review and decision-making procedures; significant matters shall be strictly in accordance with the relevant system to fulfill the decision-making procedures and reported to the General Meeting for approval.

Compensation or payments for loss of office

Not applicable.

Loans to Directors

The Articles of Association do not contain any specific provision in respect of loaning to Directors.

However, if the loans to Directors is a significant matter such as a connected transaction under Article 120 of the Articles of Association, it shall be strictly in accordance with the relevant system to fulfill the decision-making procedures to be reviewed by the Board of Directors or be reported to the General Meeting for approval.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

- (II) having been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed;
- (III) if a Director, factory Director, or general manager of a company or enterprise that has gone bankrupt and is personally responsible for the bankruptcy of the company or enterprise, less than three years have passed since the completion of the bankruptcy liquidation of the company or enterprise;
- (IV) serving as the legal representative of a company or enterprise whose business license has been revoked or ordered to close due to illegal activities, and bearing personal responsibility, where less than three years have passed since the date of revocation of the company or enterprise's business license;
- (V) individuals who have a significant amount of debt due but unpaid;
- (VI) those who have been banned from entering the securities market by the China Securities Regulatory Commission and the deadline has not expired; or
- (VII) other contents stipulated by laws, administrative regulations, departmental rules, or the Hong Kong Listing Rules.

The election, appointment or employment of the Directors, Supervisors or other senior management shall be invalid if such election, appointment or employment is against the Articles of Association. If the Directors, Supervisors or senior management falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by our Company.

Borrowing Powers

The Board of Directors shall be entitled to develop proposals for our Company to issue bonds or other securities, and that such bond issues must be approved by the Shareholders by a special resolution at the General Meeting.

ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

In any of the following circumstances, the Company shall amend its articles of association:

- (I) after amendments are made to the law, administrative regulations or regulations or listing rules of the places where the shares of the Company are listed the Articles of Association run counter to the said amendments;

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' Meeting.

The Board of Directors, independent Directors, Shareholders who meet the relevant prescribed conditions may publicly solicit Shareholder voting rights. The solicitation of Shareholder voting rights shall fully disclose specific voting intentions and other information to the solicited party. It is prohibited to solicit Shareholder voting rights in a paid or disguised way. Except for statutory conditions, the Company shall not impose minimum Shareholding ratio restrictions on soliciting voting rights.

When the Shareholders' Meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting, and the number of voting Shares represented by them shall not be included in the total number of valid votes in accordance with the laws, regulations or listing rules of the places where the shares of the Company are listed. The announcement of the resolution of the Shareholders' Meeting should fully disclose the voting status of non-related Shareholders.

The Shareholders' Meeting adopts a registered voting method. The same voting right can only choose one of on-site, online, or other voting methods. If duplicate voting occurs with the same voting right, the first voting result shall prevail.

Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposal submitted for voting: agree, oppose, or abstain. Securities registration and settlement institutions, as nominal holders of interconnected mechanism stocks in the mainland and Hong Kong stock markets, shall not declare according to the actual holder's intention.

Votes that are not filled in, mistakenly filled in, or illegible, as well as votes that have not been cast, shall be deemed as a waiver of voting rights by the voter. The voting result of the number of shares held by the voter shall be counted as "waiver".

REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

The General Meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

ACCOUNTING AND AUDITS

Financial and accounting policies

The Company formulates its financial and accounting system in accordance with the laws, administrative regulations, departmental regulations, the laws, regulations or listing rules of the places where the shares of the Company are listed.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

The Company shall announce two financial reports each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal year.

If the securities regulatory authority of the location where the Company's shares are listed has other provisions, such provisions shall prevail.

The Company shall not establish separate accounting books except for statutory accounting book. The assets of the Company shall not be stored in any individual's account.

Appointment and Dismissal of Accountants

Our company employs accounting firms that comply with the provisions of the PRC Securities Law and the Hong Kong Listing Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders' Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders' Meeting. The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders' Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's Shareholders' Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm resigns, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETINGS

The shareholders' general meeting is the organ of authority of the Company, and shall duly exercise following functions and powers:

- (I) to determine the operating principles and investment plans of the Company;
- (II) to elect and replace any Director or Supervisor not being employee representative, and to determine the remuneration of the relevant directors and supervisors;
- (III) to review and approve the reports of the Board of Directors;
- (IV) to review and approve the reports of the Board of Supervisors;
- (V) to review and approve the Company's annual financial budgets and final accounts;

APPENDIX VI **SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (VI) to review and approve the Company's profit distribution plans, profit distribution policy adjustment plan and loss recovery plans;
- (VII) to resolve on the Company's increase/decrease of registered capital;
- (VIII) to resolve on issuance of corporate bonds and other securities and [REDACTED];
- (IX) to consider the Company's purchase or sale of major assets investment or guarantees within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;
- (X) to consider a notifiable transaction requiring the approval of the general meeting as defined under the laws, regulations or listing rules of the places where the shares of the Company are listed and the Articles of Association (including but not limited to Chapter 14 of the Hong Kong Listing Rules);
- (XI) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form among other matters;
- (XII) to modify the Articles of Association;
- (XIII) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm and its remuneration;
- (XIV) to review and approve the motions proposed by shareholder(s) individually or jointly holding at least 3% voting shares of the Company;
- (XV) to review and approve the equity incentive plans at corporate level;
- (XVI) to consider and approve matters relating to the changes in the [REDACTED] from share offerings;
- (XVII) to consider any connected transaction or continuing connected transaction requiring the approval of the general meeting as defined under the laws, regulations or listing rules of the places where the shares of the Company are listed and the Articles of Association (including but not limited to Chapter 14 of the Hong Kong Listing Rules);
- (XVIII) other matters to be decided by general meeting under the laws, administrative regulations, departmental regulations, the laws, regulations or listing rules of the places where the shares of the Company are listed and the Articles of Association;
- (XIX) other matters required by the regulations or listing rules of the places where the shares of the Company are listed.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

- (V) contain the full text of any proposed special resolution to be voted on at the meeting;
- (VI) contain a written state that clearly indicates that any shareholder who has the right to attend and vote at the meeting is entitled to appoint one proxy or more to attend and vote at the meeting on its behalf, and such proxy does not need to be a shareholder of the Company;
- (VII) state the time and address of delivery of the power of attorney for the voting proxy;
- (VIII) the notice shall designate the equity registration date of shareholders entitled to attend the general meeting;
- (IX) the notice shall indicate name and telephone number of the permanent contact person of the meeting;
- (X) the voting time and voting procedure of other means.

The interval between the equity registration date and the meeting date shall comply with the regulations of the relevant supervisory authority in the place where the Company's securities are listed. Once the equity registration date is confirmed, it cannot be changed.

TRANSFER OF SHARES

Unless otherwise required by laws, regulations, local securities regulatory authorities of the place where the Company are listed, the fully paid shares of the Company may be transferred freely, without any lien attached.

All the H-shares with paid-up share capital may be freely transferred in accordance with the Articles of Association; but unless the following conditions are met, the Board may refuse to admit any transfer document without stating any reason:

- (I) any transfer document and other documents that are relevant with the ownership of H-shares or will influence the ownership of H-shares must be registered. A fee for the registration must be paid to the Company according to a charge standard specified in Hong Kong Listing Rules. The fee shall not exceed the maximum fees set out in Hong Kong Listing Rules;
- (II) the instrument of transfer involves H-shares only;
- (III) the stamp duty payable by the laws of Hong Kong on the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board proving that the transferer has the right to transfer shares shall be provided;

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

(V) if the shares are to be transferred to joint shareholders, the number of jointly registered shareholders shall not exceed four;

(VI) the Company does not have any lien over the shares.

If the Board refuses to register share transfer, the Company shall issue a notice of refusal of share transfer to the transferer and transferees within two months from the official filing date of transfer application.

Transfer documents and other documents relating to the ownership of shares shall be registered with the share registration institutions entrusted by the Company.

The Company shall not accept the shares of the Company as the subject of a right of pledge.

The shares of the Company held by a promoter shall not be transferred within 1 year from the date of the establishment of the Company. The shares issued by the Company before public offering shall not be transferred within 1 year from the date on which the Company's shares are listed on stock exchange. The Controlling shareholders should be subject to the restrictions of the Hong Kong Listing Rules which restricts the disposal of Shares by Controlling shareholders following a new listing.

The Directors, Supervisors and Senior Management of the Company shall report their shareholding in the Company and changes thereof to the Company, and during their tenure, the shares transferred each year shall not exceed 25% of the total Company shares held by them; the Company shares held by them shall not be transferred within 1 year from the date when the shares of the Company are listed and traded; within half a year from departure from the Company, the aforesaid persons shall not transfer the Company shares held by them.

If the Directors, Supervisors, Senior Management of the Company and shareholders holding more than 5% of the Company's shares sell the shares of the Company or other securities with an equity nature they held within six months after the purchase, or purchase again within six months after sale, the proceeds thereon shall be owned by the Company and the Board of the Company will recover the proceeds. However, if a securities company holds more than 5% of the shares after purchasing the remaining shares upon underwriting and other circumstances stipulated by the CSRC shall be excluded.

The shares or other securities with an equity nature held by the Directors, Supervisors, Senior Management and natural shareholders mentioned in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents and children and held under accounts of other parties.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT

Not applicable.

DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The profit distribution proposal of the Company for each year shall be reviewed and approved at the general meeting. The Company shall distribute its after-tax profit for the current year in the order of:

- (I) recovering losses of the preceding year;
- (II) withdrawing ten percent (10%) after-tax profit of the current year as a statutory common reserve fund;
- (III) withdrawing its profit as a risk reserve in accordance with relevant national requirements;
- (IV) withdrawing its profit as a discretionary common reserve fund according to resolutions of the general meeting;
- (V) distributing dividends to shareholders.

The Company may not withdraw its profit for the statutory common reserve fund if the cumulative amount has reached fifty percent (50%) or more of the Company's registered capital. The general meeting shall determine whether or not allocate to the discretionary reserve and the rate after allocating the statutory reserve and the risk reserve.

If the statutory reserve could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing the statutory reserves. Where the general meeting distributes profits to shareholders in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision.

After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with these Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in these Articles of Association.

The shares of the Company held by the Company shall not be subject to profit distribution.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

PROXIES

Any Shareholder who has the right to attend and vote at the Shareholders' Meeting may attend the meeting in person or entrust one or more (who may not be a shareholder) as their proxy to attend and vote on their behalf.

The power of attorney issued by Shareholders authorizing others to attend the Shareholders' Meeting shall include the following contents:

- (i) the name of the proxy and number of shares represented by the proxy;
- (ii) whether it has voting rights;
- (iii) instructions to vote for, against or abstention from voting on each item to be discussed on the agenda of the Shareholders' Meeting;
- (iv) whether or not the attorney has the voting right for provisional motions on the agenda of the general meeting, and if so, specific instructions on how to exercise such voting right;
- (v) date of issuance and validity period of the power of attorney;
- (vi) signature (or seal) of the principal; If the principal is a corporate Shareholder, the seal of the legal entity shall be affixed.

Any form issued to a shareholder by the directors for the appointment of a proxy to attend and vote at meetings of the Company shall enable the shareholder to freely instruct the proxy to vote in favor of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

CALLS ON SHARES AND FORFEITURE OF SHARES

Not applicable.

INSPECTION OF REGISTER OF MEMBERS

Our Company establishes a register of Shareholders based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company's Shares.

The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority. The entrusted overseas agency shall always ensure that

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders

Shareholders of the Company are persons who lawfully hold shares of the Company and whose names are entered in the register of shareholders. Shareholders enjoy rights and assume obligations in proportion to the class and numbers of shares they hold; shareholders who hold the same class of shares shall enjoy equal rights and assume the same obligations.

The shareholders of ordinary shares shall be entitled to the following rights:

- (I) receiving dividends and other form of interest distribution in proportion to its shareholding;
- (II) requiring, convening, chairing, attending by person or by proxy into a general meeting pursuant to the laws, administrative regulations, departmental regulations, the laws, regulations or listing rules of the places where the shares of the Company are listed, regulations of regulatory authorities and the Articles of Association, and exercising the voting right at the meeting in proportion to its shareholding;
- (III) supervising and managing, presenting suggestions on or making inquiries about the business operation of the Company;
- (IV) transferring, donating or pledging the shares held by them, in accordance with the laws, administrative regulations, departmental regulations, the laws, regulations or listing rules of the places where the shares of the Company are listed, regulations of regulatory authorities and the Articles of Association;
- (V) obtaining relevant information according to the Articles of Association, in accordance with the laws, administrative regulations, departmental regulations, the laws, regulations or listing rules of the places where the shares of the Company are listed, regulations of regulatory authorities and the Articles of Association, including:
 - 1. a copy of the Articles of Association upon payment of costs thereof;
 - 2. the right to inspect and duplicate after paying a reasonable charge;
 - (1) the whole and all parts of the register of shareholders;
 - (2) personal information of Directors, Supervisors, General Manager and other senior management members, including:
 - (a) present and former names and aliases;
 - (b) principal address (domicile);

APPENDIX VI **SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (c) nationality;
 - (d) full-time and all other part-time occupations and positions;
 - (e) identification certificate document and its number;
 - (3) status of issued share capital of the Company;
 - (4) latest audited financial statements of the Company, and reports and special resolutions of the Board, Auditors and the Supervisory Committee;
 - (5) report on the par value and number of shares repurchased by the Company since the last fiscal year, as well as the maximum and minimum prices paid for the repurchased securities (with a breakdown between domestic unlisted shares and overseas listed shares);
 - (6) photocopy of the latest annual renewal report filed with market regulation authority or other competent authorities;
 - (7) minutes of general meetings (only for review by shareholders), and resolutions of Board meetings and resolutions of Supervisory Committee meetings;
 - (8) special resolutions of the Company; and
 - (9) bond stubs of the Company.
- (VI) The Company shall prepare the above documents (1), (3), (4), (5), (6), (7), (8) & (9) and other applicable documents at the Hong Kong address of the Company according to the requirements of Hong Kong Listing Rules, for free reference of the public and shareholders of overseas listed shares (except minutes of general meetings available for shareholders only), and for photocopy at reasonable expense within 7 days. The Company may refuse to provide any information for access or photocopy that involves the trade secret or insider information of the Company;
- (VII) participating in the distribution of residual assets of the Company in proportion to its shareholdings, upon termination or liquidation of the Company;
- (VIII) for shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, requesting the Company to acquire its shares;

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

Any shareholder who abuses shareholder's rights causing loss to the Company or other shareholders shall be liable for compensation pursuant to the laws. Any shareholder who abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely infringe upon the interests of the Company's creditors shall be held jointly and severally liable for the Company's debts.

Any shareholder who holds 5% or more of the Company's voting shares pledges his/her shares. Such shareholder shall report to the Company in writing within the day when the fact occurs. Any controlling shareholder of the Company pledges certain or all his/her shareholding in the Company as security for the Company's indebtedness, guarantees or other liabilities, the Company should fulfil the disclosure obligations under the Hong Kong Listing Rules.

The controlling shareholder or actual controller of the Company shall not utilise its associated-party relationship against the interests of the Company, or else, shall compensate the Company for any loss incurred.

Unless otherwise obliged by the laws, regulations or the listing rules of local stock exchange in the place where the Company shares are listed, the controlling shareholder in exercising its power shall not make a decision against the interests of all or part of shareholders by exercising its voting rights upon following issues:

- (I) exempting the liability of Directors or Supervisors to act in good faith for the best interests of the Company;
- (II) approving Directors or Supervisors (for the benefit of themselves or others) to deprive the Company's property in any form, including but not limited to any chance favorable to the Company;
- (III) approving Directors or Supervisors (for the benefit of themselves or others) to deprive other shareholders of their personal interests and benefits, including but not limited to any rights to distribution or voting, excluding corporate restructuring submitted to the shareholders' general meeting for approval in accordance the Articles of Association.

Board of Directors

The Board of Directors shall be responsible to the general meetings and exercise the following functions and powers:

- (I) convening the general meeting and reporting work to the general meeting;
- (II) implementing resolutions of the general meetings;
- (III) determining the operating plans and investment schemes of the Company;

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

- (IV) formulating the annual budget plan and final accounts plan of the Company;
- (V) formulating the profit distribution plan and loss makeup plan of the Company;
- (VI) formulating the Company's plans for the increase/decrease of the registered capital, issuance of corporate bonds or other securities;
- (VII) contemplating the plans for merger, division, dissolution or change of form of the Company;
- (VIII) contemplating the plans for purchase and disposal of material assets, share repurchase of the Company;
- (IX) appointing or dismissing the General Manager, Secretary; appointing or dismissing the deputy General Manager, Chief Financial Officer (the "CFO") or other Senior Management of the Company as nominated and deciding on and decide on their remunerations, rewards and punishments;
- (X) deciding on the setup of internal management bodies of the Company;
- (XI) determining the composition of special committees under the Board by the listing rules of the places where the shares of the Company are listed;
- (XII) formulating the fundamental management systems of the Company;
- (XIII) formulating the modification plan of the Articles of Association;
- (XIV) filing an application for bankruptcy on behalf of the Company;
- (XV) considering and approving shareholders to list and trade the unlisted shares on an overseas stock exchange;
- (XVI) considering and approving the Company's transaction (including but not limited to the disclosable transaction and the connected transaction) that should be considered and approved by the Board of Directors pursuant to the laws, administrative regulations, departmental regulations, regulations or listing rules of the places where the shares of the Company are listed and the Articles of Association;
- (XVII) deciding on the Company's external investments, acquisition and disposal of assets, pledge of assets, external guarantees, trust management and other matters within the scope of authorization by a general meeting;
- (XVIII) managing the disclosure of information by the Company;

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

Secretary to the Board of Directors

The Company shall appoint the Secretary to the Board of Directors, who shall be a member of Senior Management of the Company. The term of the Secretary to the Board of Directors is 3 years, and may be reappointed for re-election.

The Secretary to the Board of Directors shall be a natural person with requisite professional knowledge and experience and also comply with the listing rules of the places where the shares of the Company are listed, and shall be appointed or dismissed by the Board of Directors, with the duties to:

- (I) ensure that the Company has complete constituent archives and records;
- (II) ensure that the Company lawfully prepares and files the reports and documents required by the competent authorities;
- (III) ensure the proper establishment of share register, and ensure the persons entitled to access relevant corporate records and files are able to acquire such records and documents promptly;
- (IV) provide service to ensure the Board procedures and all applicable laws, rules and regulations are complied with;
- (V) other duties required by the laws, administrative regulations, departmental rules, regulatory documents, regulations or listing rules of the places where the shares of the Company are listed or the Articles of Association.

A Director or other member of Senior Management may concurrently serve as Secretary to the Board of Directors. A Supervisor, an accountant of the accounting firm and the law firm engaged by the Company and a manager of the controlling shareholder shall not concurrently serve as Secretary to the Board of Directors. Where the office of the Secretary to the Board of Directors is concurrently held by a director of the Company, for an act which is required to be made by a Director and the Secretary to the Board of Directors separately, then such person shall not perform the act in dual capacity.

Supervisory Committee

The Supervisory Committee is composed of no less than 3 Supervisors, one of whom acts as the Chairman. A Supervisor shall serve a term of three years and may seek reelection upon the expiry of the said term. The appointment or dismissal of the Chairman is subject to the approval by at least two-thirds (inclusive) of the members of the Supervisory Committee through voting.

APPENDIX VI SUMMARY OF THE ARTICLES OF ASSOCIATION

General Manager and Other Senior Management

The Company shall have one General Manager and several Deputy General Managers who shall be appointed or dismissed by the Board of Directors. General Manager, Deputy General Manager, the CFO and Secretary are all the Company's Senior Management.

The General Manager reports to the Board of Directors, and has the duties to:

- (I) chair the production, operation and management of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;
- (II) organise the implementation of resolutions made at Board meetings, the annual operating plan, the investing plan, the annual budget plan and final accounts plan of the Company;
- (III) contemplate the fundamental management system and the internal management setup plan of the Company;
- (IV) formulate the specific rules and regulations of the Company;
- (V) propose to the Board of Directors the appointment or dismissal of the Deputy General Manager, the CFO, or the other Senior Management;
- (VI) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board of Directors;
- (VII) propose to hold interim meetings of the Board of Directors;
- (VIII) other duties authorized by the General Manager's Working Rules;
- (IX) other duties authorized by the Articles of Association or the Board of Directors.

The General Manager shall preside at Board meetings, while he/she has no voting rights at the Board meetings if he/she is not a director.

APPENDIX VII

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of our Company

Our predecessor company Thinkland Technology was established under the laws of the PRC as a company with limited liability on February 25, 2010 with an initial registered capital of RMB3.00 million. On September 20, 2017, our Company was converted to a joint stock company with limited liability under the PRC Company Law. The registered address and headquarter of our Company in the PRC is at 16/F, No. 9 Rongfu Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC. A summary of our Articles is set out in “Appendix VI – Summary of the Articles of Association”.

We have established a principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong, and was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on September 13, 2023. Ms. Yang, being our executive Director, deputy general manager, secretary to our Board and one of our joint company secretaries, and Ms. Ching Shuk Wah Shirley, being our other joint company secretary, have been appointed as the Authorized Representatives of our Company for the acceptance of service of process and notice in Hong Kong. Our address for acceptance of service of process is 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.

As our Company was established in the PRC, our operation are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendix IV and VI, respectively.

2. Changes in Share Capital of our Company

As of the date of establishment of our predecessor company ThinkLand Technology on February 25, 2010, our registered capital was RMB3.00 million, which was fully paid up by Mr. Zuo, Mr. Wang Haojin and Mr. Qin Cheng. On September 20, 2017, our Company was converted to a joint stock company with limited liability. As of the date of such conversion, our total issued share capital was RMB45,000,000 divided into 45,000,000 Shares with a nominal value of RMB1.00 each. On December 23, 2020, our total issued share capital was increased from RMB45,000,000 to RMB45,300,000.

Upon completion of the [REDACTED], our share capital will be increased to RMB[REDACTED], made up of [REDACTED] H Shares fully paid up or credited as fully paid up. For more details, see “History, Development and Corporate Structure”.

Save as disclosed above, there has been no alteration in our total issued share capital within the two years immediately preceding the date of publication of this document.

APPENDIX VII **STATUTORY AND GENERAL INFORMATION**

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report as set out in Appendix I to this document.

There has been no alteration in the total issued share capital of our subsidiaries during the two years immediately preceding the date of this document. For details of our subsidiaries, see “History, Development and Corporate Structure – Our Subsidiaries”.

4. Resolutions of our Shareholders in relation to the [REDACTED]

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on August 4, 2023, it was resolved, among others:

- (a) the [REDACTED] by our Company of H Shares of nominal value of RMB1.00 each up to [REDACTED] H Shares and such H Shares being [REDACTED] on the Stock Exchange;
- (b) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on [REDACTED], and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and other relevant regulatory authorities; and
- (c) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED] and the [REDACTED].

5. Restrictions on Repurchase

See “Appendix IV – Summary of Principal and Regulatory Provisions” and “Appendix VI – Summary of the Articles of Association” for details.

6. Corporate Reorganization

Our Company has not gone through any corporate reorganization. See “History, Development and Corporate Structure” for further details of the history and development of our Company.

APPENDIX VII STATUTORY AND GENERAL INFORMATION

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this document and are or may be material:

- (a) the shareholders’ special rights termination agreement dated March 24, 2022 entered into among our Company, Zuo Lei (左磊), Zhou Lijun (周立軍), Ren Yuan (任園), Yang Jin (楊晉), JD Technology Holding Co., Ltd. (京東科技控股股份有限公司), Qiu Jianqiang (邱堅強), Suzhou Tahoe Growth Venture Capital Partnership (Limited Partnership) (蘇州太浩成長創業投資合夥企業(有限合夥)) (“**Tahoe Growth**”), Hua Yong (華勇) and China Culture Industrial Investment Fund (Limited Partnership) (中國文化產業投資基金(有限合夥)) in relation to the termination of special rights that were previously granted to Tahoe Growth;
- (b) the shareholders’ special rights termination agreement dated March 24, 2022 entered into among our Company, Zuo Lei (左磊), Qiu Jianqiang (邱堅強) (“**Mr. Qiu**”), Zhou Lijun (周立軍), Ren Yuan (任園), JD Technology Holding Co., Ltd. (京東科技控股股份有限公司), Suzhou Tahoe Growth Venture Capital Partnership (Limited Partnership) (蘇州太浩成長創業投資合夥企業(有限合夥)), Hua Yong (華勇), China Culture Industrial Investment Fund (Limited Partnership) (中國文化產業投資基金(有限合夥)), Suzhou Industrial Park Tahoe Growth Phase II Venture Capital Investment Partnership (Limited Partnership) (蘇州工業園區太浩成長二期創業投資合夥企業(有限合夥)), Wang Bin (王斌), Hua Huan (華洵), Dong Mingyan (董銘彥), Ning Xinran (寧欣然), Shanghai Keluopu Asset Management Center (Limited Partnership) (上海科珞普資產管理中心(有限合夥)), Suzhou Donghe Huaming Investment Partnership (Limited Partnership) (蘇州東合華明投資合夥企業(有限合夥)), Suzhou Yiju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州一聚六合投資諮詢企業(有限合夥)), Suzhou Liuju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州六聚六合投資諮詢企業(有限合夥)) and Suzhou Tahoe Lande Venture Capital Investment Partnership (Limited Partnership) (蘇州太浩蘭德創業投資合夥企業(有限合夥)), in relation to the termination of special rights that were previously granted to Mr. Qiu;
- (c) the shareholders’ special rights termination agreement dated March 29, 2022 entered into among our Company, Zuo Lei (左磊), Zhou Lijun (周立軍), Ren Yuan (任園), Yang Jin (楊晉), Qiu Jianqiang (邱堅強), Suzhou Tahoe Growth Venture Capital Partnership (Limited Partnership) (蘇州太浩成長創業投資合夥企業(有限合夥)), Hua Yong (華勇), China Culture Industrial Investment Fund (Limited Partnership) (中國文化產業投資基金(有限合夥)) and JD Technology Holding Co., Ltd. (京東科技控股股份有限公司) (“**JD Technology**”), in relation to the termination of special rights that were previously granted to JD Technology;
- (d) the equity transfer agreement dated July 22, 2023 entered into among our Company, Zuo Lei (左磊), Suzhou Yiju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州一聚六合投資諮詢企業(有限合夥)) and China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新蘇州工業園區創業投資有限公司) (“**China-Singapore Ventures**”), pursuant to which Zuo Lei agreed to transfer 369,111 Shares, representing 0.8148% equity interest of our Company as of the date of the agreement, to China-Singapore Ventures for a consideration of RMB22.0 million; and
- (e) the [REDACTED].

APPENDIX VII STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights of Our Group

(a) Patents

(i) Registered Patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
1.	Cloud Computing System for Data Dispersed Storage (一種數據分散存儲的雲計算系統)	Our Company	PRC	2013104227185	2013/09/16	2033/09/15
2.	Method, Equipment, and Mobile Device for Mobile Device Operation (一種移動設備操作的方法、裝置和移動設備)	Our Company	PRC	2016108671111	2016/09/29	2036/09/28
3.	Method for Equipment Menus and Terminal Device (一種菜單的獲取方法和終端設備)	Our Company	PRC	2016101136281	2016/02/29	2036/02/28
4.	Time Display Method and Terminal (一種時間顯示方法和終端)	Our Company	PRC	2016105944723	2016/07/26	2036/07/25
5.	Method and System for Terminal-based Big Data Processing (基於終端的大數據處理的方法及系統)	Our Company	PRC	2019103354922	2019/04/24	2039/04/23
6.	Improved Deep Learning Intelligent Response System Based on Cloud Data (一種改進型基於計算機雲數據的深度學習智能應答系統)	Our Company	PRC	2016109109884	2016/10/20	2036/10/19
7.	Data Filtering System Based on Blockchain (一種基於區塊鏈的數據篩選系統)	Our Company	PRC	2019102584005	2019/04/01	2039/03/31
8.	Blockchain-based Big Data Security Processing System (一種區塊鏈大數據安全處理系統)	Our Company	PRC	2019106117670	2019/07/08	2039/07/07
9.	Iterative Search Localization Method Based on Communication Operator Location Verification Technology (一種基於通信運營商位置核驗技術的迭代搜索定位方法)	Our Company	PRC	2019109655266	2019/10/11	2039/10/10

APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
10.	Data Source Access Method, Equipment, Storage Medium, and Device (數據源訪問方法、裝置、存儲介質及設備)	Our Company	PRC	2021105752584	2021/05/26	2041/05/25
11.	Identity Verification Method, Equipment, Storage Medium, and Device (身份驗證方法、裝置、存儲介質及設備)	Our Company	PRC	2021106455443	2021/06/10	2041/06/09
12.	Instant Messaging Message Sending Method, Equipment, Storage Medium, and Device (即時通訊消息發送方法、裝置、存儲介質及設備)	Our Company	PRC	2021106460367	2021/06/10	2041/06/09
13.	Deployment Method, Equipment, Storage Medium, and Device for Interface Services (接口服務的部署方法、裝置、存儲介質及設備)	Our Company	PRC	2021107227887	2021/06/29	2041/06/28
14.	Blockchain-Based Financial Product Transfer Method and Related Equipment (基於區塊鏈的理財產品轉移方法和相關裝置)	Our Company	PRC	2021107760566	2021/07/09	2041/07/08
15.	Server Monitoring Method and System (服務器監控方法及系統)	Our Company	PRC	2021107923614	2021/07/14	2041/07/13
16.	Service Request Forwarding Method and System (服務請求轉發方法及系統)	Our Company	PRC	2021107646804	2021/07/07	2041/07/06
17.	Execution Method, Equipment, Storage Medium, and Device for Scheduled Tasks (定時任務的執行方法、裝置、存儲介質及設備)	Our Company	PRC	2021111473831	2021/09/29	2041/09/28
18.	Interface Key Reset Method, Equipment, Storage Medium, and Server (接口密鑰重置方法、裝置、存儲介質及服務器)	Our Company	PRC	2021112011295	2021/10/15	2041/10/14
19.	Object Access Method and Service System (對象的訪問方法及服務系統)	Our Company	PRC	2021112672743	2021/10/29	2041/10/28

APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
20.	Service Invocation Method, Equipment, Storage Medium, and Device for Legacy Systems (遺留系統的服務調用方法、裝置、存儲介質及設備)	Our Company	PRC	202111502261X	2021/12/10	2041/12/09
21.	Shared File Configuration Method and Equipment (一種共用文件配置方法及裝置)	Our Company	PRC	2021108107524	2021/07/19	2041/07/18
22.	Privacy Computing Method and System Based on Distributed Collaboration (基於分佈式協作的隱私計算方法及系統)	Our Company	PRC	2022103219814	2022/03/30	2042/03/29
23.	Sensitive Information Desensitization and Verification Method, System, and Electronic Device (一種敏感信息脫敏驗證方法、系統及電子設備)	Our Company	PRC	2022103208538	2022/03/30	2042/03/29
24.	Negotiation Method and System for Cross-Domain AI Privacy Computing Based on Blockchain (基於區塊鏈的跨域AI隱私計算的協商方法及系統)	Our Company	PRC	2022103292082	2022/03/31	2042/03/30
25.	Account Login Method and System Based on Blockchain (基於區塊鏈的賬號登錄方法及系統)	Our Company	PRC	2022103143891	2022/03/29	2042/03/28
26.	Cross-Domain Federated Learning Method and System Based on Trusted Execution Environment (基於可信執行環境的跨域聯邦學習方法及系統)	Our Company	PRC	2022103543767	2022/04/06	2042/04/05
27.	Sensitive Credential Management Method and System Based on Robotic Process Automation (RPA) (基於RPA的敏感憑據管理方法及系統)	Our Company	PRC	2022103608583	2022/04/07	2042/04/06
28.	Data Source Determination Method and Equipment (一種數據源確定方法和裝置)	Our Company	PRC	2022103749806	2022/04/11	2042/04/10

APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
29.	Identity Authorization Method and System Based on Blockchain (一種基於區塊鏈的身份授權方法和系統)	Our Company	PRC	2022104553681	2022/04/28	2042/04/27
30.	Generation Method and Generation System for Blockchain Applications (區塊鏈應用的生成方法及生成系統)	Our Company	PRC	2022106450088	2022/06/09	2042/06/08
31.	Method, Equipment, Storage Medium, and Gateway for Abnormal Data Detection Based on Blockchain (基於區塊鏈的異常數據檢測方法、裝置、存儲介質及網關)	Our Company	PRC	202210670809X	2022/06/14	2042/06/13
32.	Method and Equipment for Determining Resource Consumption (一種確定資源消耗的方法和裝置)	Our Company	PRC	2022108003661	2022/07/08	2042/07/07
33.	Privacy Data Management Method and System Based on Serverless Architecture (一種基於無服務器架構的隱私數據管理方法和系統)	Our Company	PRC	2022109015469	2022/07/28	2042/07/27
34.	Data Collaboration Method, Equipment, Storage Medium, and Device Based on Privacy Requirements (基於隱私需求的數據協作方法、裝置、存儲介質及設備)	Our Company	PRC	2022109277828	2022/08/03	2042/08/02
35.	Interface-Based Privacy Computing Method, System, Storage Medium, and Device (基於接口的隱私計算方法、系統、存儲介質及設備)	Our Company	PRC	2022109783904	2022/08/16	2042/08/15
36.	Data Element Privacy Computing Method and System Based on Blockchain and CDN (一種基於區塊鏈和CDN的數據要素隱私計算方法和系統)	Our Company	PRC	2022110429361	2022/08/29	2042/08/28

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
37.	Method, Equipment, and System for Data Element Rights Allocation Based on Blockchain (基於區塊鏈的數據要素權益分配方法、裝置和系統)	Our Company	PRC	2022110706063	2022/09/02	2042/09/01
38.	Transaction Data Verification Method and System Based on Blockchain (一種基於區塊鏈的交易數據校驗方法和系統)	Our Company	PRC	2022111109958	2022/09/13	2042/09/12
39.	Data Transaction Method and System Based on Blockchain (一種基於區塊鏈的數據交易方法和系統)	Our Company	PRC	2022111295148	2022/09/16	2042/09/15
40.	Privacy Computing Audit Method and Device Based on Knowledge Graph (一種基於知識圖譜的隱私計算審計方法和裝置)	Our Company	PRC	2022111584010	2022/09/22	2042/09/21
41.	Data Query Method and Device (一種數據查詢方法和裝置)	Our Company	PRC	2022112707484	2022/10/18	2042/10/17
42.	Method and Device for Generation of RPA Processes (一種RPA流程的生成方法和裝置)	Our Company	PRC	2022112534023	2022/10/13	2042/10/12
43.	Heat Dissipation Device for Internet Big Data Servers (一種互聯網大數據服務器的散熱裝置)	Our Company	PRC	2018222314298	2018/12/28	2028/12/27
44.	Dustproof Device for Face Recognition Device (一種人臉識別器用防塵裝置)	Our Company	PRC	2019204183419	2019/03/29	2029/03/28
45.	Pulling and Cutting Device for Floating-Type Data Recorder (一種用於上浮式數據記錄儀的拉扯切割裝置)	Our Company	PRC	2018219240994	2018/11/21	2028/11/20
46.	Separation Device for Floating-Type Data Recorder (一種用於上浮式數據記錄儀的脫離裝置)	Our Company	PRC	2018219240636	2018/11/21	2028/11/20
47.	Protective Device for CAD 3D Model Displayers (一種CAD三維模型顯示器用防護裝置)	Our Company	PRC	2019203960716	2019/03/27	2029/03/26
48.	Fingerprint Acquisition Detection Device (一種指紋採集檢測裝置)	Our Company	PRC	2019204075537	2019/03/28	2029/03/27

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
49.	Financial Intelligent Device with Anti-Tampering Function (一種具有防撬功能的金融智能設備)	Our Company	PRC	2019202280289	2019/02/22	2029/02/21
50.	Determination Method and System Based on Blockchain Data Provider (一種基於區塊鏈的數據提供方確定方法和系統)	Our Company	PRC	2022116373088	2022/12/16	2042/12/15
51.	Privacy Computing Method and System for Attendance Data Based on Blockchain (一種基於區塊鏈的考勤數據隱私計算方法和系統)	Our Company	PRC	202211027903X	2022/08/25	2042/08/24
52.	Power Trading Method and System, Power Consumption Terminal and Power Generation Terminal Based on Privacy Computing (基於隱私計算的電力交易方法和系統、用電端和發電端)	Our Company	PRC	2023101053151	2023/02/13	2043/02/12
53.	Power Trading Method, Equipment and System Based on Blockchain and Privacy Computing (一種基於區塊鏈和隱私計算的電力交易方法、裝置和系統)	Our Company	PRC	2023101215283	2023/02/16	2043/02/15
54.	Assisting Pricing Method, Equipment and System Based on Data Element of Blockchain (一種基於區塊鏈的數據要素輔助定價方法、裝置和系統)	Our Company	PRC	2023102105882	2023/03/07	2043/03/06
55.	Method and Equipment for Obtaining Off-chain Data Based on Oracle Reputation Value (一種基於預言機信譽值的鏈外數據獲取方法和裝置)	Our Company	PRC	2023102105929	2023/03/07	2043/03/06
56.	Identity Authentication Method, Equipment and System Based on Blockchain (一種基於區塊鏈的身份認證方法、裝置和系統)	Our Company	PRC	2023102128102	2023/03/08	2043/03/07
57.	Assisting Transaction Method, Equipment and System Based on Data Element of Blockchain (一種基於區塊鏈的數據要素輔助交易方法、裝置和系統)	Our Company	PRC	2023102267340	2023/03/10	2043/03/09

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
58	Data Circulation Method, Equipment and System Based on Trusted Execution Environment (一種基於可信執行環境的數據流通方法、裝置和系統)	Our Company	PRC	2023102408870	2023/03/14	2043/03/13
59	Control Methods, Equipment, Storage Medium and Device for Interface Services (接口服務的控制方法、裝置、存儲介質及設備)	Our Company	PRC	2023102471145	2023/03/15	2043/03/14
60	Privacy Computing Method Based on API, API Caller and API Provider (基於API的隱私計算方法、API調用端和API提供端)	Our Company	PRC	2023102673414	2023/03/20	2043/03/19
61	Digital Identity Authentication Method and System Based on Blockchain (基於區塊鏈的數字身份認證方法及系統)	Our Company	PRC	2023102838811	2023/03/22	2043/03/21
62	Transaction Method, System, Storage Medium and Device Based on Data Element of Blockchain (基於區塊鏈的數據要素交易方法、系統、存儲介質及設備)	Our Company	PRC	2023102810483	2023/03/22	2043/03/21
63	Loophole Detection Method, Equipment, Storage Medium and Device for Interface (接口的漏洞檢測方法、裝置、存儲介質及設備)	Our Company	PRC	2023103021691	2023/03/27	2043/03/26
64	Model Training Method and System Based on Blockchain (基於區塊鏈的模型訓練方法及系統)	Our Company	PRC	2023103354204	2023/03/31	2043/03/30

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(b) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Date of application (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
1.	天聚地合	38	PRC	27204943	Our Company	2017/10/31	2028/11/13
2.	天聚地合	41	PRC	27195398	Our Company	2017/10/31	2028/11/27
3.	聚合数据	9	PRC	27182827	Our Company	2017/10/31	2029/01/27
4.	聚合数据	41	PRC	27190966	Our Company	2017/10/31	2029/01/27
5.	天聚地合	9	PRC	27204882	Our Company	2017/10/31	2029/01/27
6.	天聚地合	35	PRC	27198504	Our Company	2017/10/31	2029/02/13
7.	☑ 聚合数据	9	PRC	27200355	Our Company	2017/10/31	2029/02/27
8.	☑ 聚合数据	41	PRC	27187843	Our Company	2017/10/31	2029/03/20
9.	天聚地合	16	PRC	27196979	Our Company	2017/10/31	2029/03/20
10.	QuickBot	42	PRC	60873018	Our Company	2021/11/25	2032/05/13
11.	APIMaster	42	PRC	56770984	Our Company	2021/06/08	2032/12/20
12.		9, 42	Hong Kong	306231465	Our Company	2023/04/28	2033/04/27

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(c) Copyrights

(i) Registered Copyright

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be material to our business:

No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
1.	ThinkLand Technology Comic Reading Mobile Software (新科蘭德漫畫閱讀手機軟件)	V1.0	Our Company	2011SR096245	2011/05/01	2011/04/22	PRC
2.	ThinkLand Technology Crazy Sushi Shop Mobile Game Software (新科蘭德瘋狂壽司店手機遊戲軟件)	V1.0	Our Company	2012SR002477	2010/11/20	2010/11/17	PRC
3.	ThinkLand Technology Convenient Ordering Tablet Software (新科蘭德便捷點餐平板軟件)	V1.0	Our Company	2012SR002780	2011/08/01	2011/04/22	PRC
4.	ThinkLand Technology Juhe Cloud Data Platform Software (新科蘭德聚合雲數據平台軟件)	V1.0	Our Company	2012SR016501	2011/04/01	2011/03/12	PRC
5.	ThinkLand Technology Credit Card Discount Check Mobile Software (新科蘭德信用卡優惠查詢手機軟件)	V1.0	Our Company	2012SR016505	2010/12/01	2010/11/22	PRC
6.	ThinkLand Technology Early Childhood Education Mobile Software (新科蘭德幼兒教育手機軟件)	V1.0	Our Company	2012SR016256	2012/01/04	2012/01/04	PRC
7.	ThinkLand Technology Teahouse Entertainment Platform Software (新科蘭德茶樓娛樂平台軟件)	V1.0	Our Company	2012SR018788	2011/11/15	2011/08/22	PRC
8.	ThinkLand Technology Super Crazy Sushi Shop Mobile Game Software (新科蘭德超級瘋狂壽司店手機遊戲軟件)	V1.0	Our Company	2012SR018804	2011/04/10	2011/03/05	PRC
9.	ThinkLand Technology City Defense Mobile Game Software (新科蘭德城市保衛戰手機遊戲軟件)	V1.0	Our Company	2012SR018795	2011/06/20	2011/06/05	PRC
10.	ThinkLand Technology Sports Information Mobile Software (新科蘭德體育信息手機軟件)	V1.0	Our Company	2012SR018793	2010/06/01	2010/05/22	PRC
11.	ThinkLand Technology Our UEFA Champions League Sports Information Mobile Software* (新科蘭德我們的歐洲杯體育信息手機軟件)	V1.0	Our Company	2012SR070015	2012/05/18	2012/05/15	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
12.	ThinkLand Technology Android-based Smart Home Platform Software (新科蘭德基於Android的智能家居平台軟件)	V1.0	Our Company	2014SR113123	2014/02/22	2013/10/08	PRC
13.	ThinkLand Technology Merchant Seller Analysis System Software (新科蘭德幫助賣商家分析系統軟件)	V1.0	Our Company	2014SR166912	2013/11/05	2013/09/22	PRC
14.	ThinkLand Technology Price Comparison Mobile Software (新科蘭德比價移動軟件)	V1.0	Our Company	2014SR163248	2014/02/01	2013/11/02	PRC
15.	ThinkLand Technology e-Commerce Mobile Software (新科蘭德電商移動軟件)	V1.0	Our Company	2014SR165255	2014/02/01	2013/11/01	PRC
16.	ThinkLand Technology JD Active Merchandise Monitoring Software (新科蘭德京東活動商品監測軟件)	V1.0	Our Company	2014SR164787	2014/08/20	2014/06/22	PRC
17.	ThinkLand Technology Juhe Data Platform Software (新科蘭德聚合數據平台軟件)	V2.0	Our Company	2014SR166195	2013/11/09	2013/09/09	PRC
18.	ThinkLand Technology Developer Service Store System Software (新科蘭德開發者服務商店系統軟件)	V1.0	Our Company	2014SR164196	2014/09/03	2014/08/02	PRC
19.	ThinkLand Technology Free SMS Verification Code Software (新科蘭德免費短信驗證碼軟件)	V1.0	Our Company	2014SR166919	2014/08/25	2014/07/02	PRC
20.	ThinkLand Technology Nichacha APP Software (新科蘭德你查查APP軟件)	V1.0	Our Company	2014SR163214	2014/03/05	2014/03/02	PRC
21.	ThinkLand Technology Barcode Mobile Software (新科蘭德條碼移動軟件)	V1.0	Our Company	2014SR164646	2014/02/01	2013/11/01	PRC
22.	ThinkLand Technology Code Sharing Platform Software (新科蘭德代碼分享平台軟件)	V1.0	Our Company	2015SR211473	2015/07/05	2015/07/02	PRC
23.	ThinkLand Technology Tool 99APP (IOS version) Software (新科蘭德工具99APP(IOS版)軟件)	V1.0	Our Company	2015SR211412	2015/08/05	2015/06/02	PRC
24.	ThinkLand Technology Tools Touchstone Website Software (新科蘭德工具試金石網站軟件)	V1.0	Our Company	2015SR214535	2015/09/01	2015/09/01	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
25.	ThinkLand Technology Car Violation Checking Software (新科蘭德我滴車違章查詢軟件)	V1.0	Our Company	2015SR211701	2015/07/12	2015/07/10	PRC
26.	ThinkLand Technology Data Fox Enterprise Information Inquiry Software (新科蘭德數據狐企業信息查詢軟件)	V1.0	Our Company	2016SR001198	2015/10/01	2015/09/30	PRC
27.	ThinkLand Technology Tool 99APP (Android version) Software (新科蘭德工具99APP(Android版)軟件)	V1.0	Our Company	2015SR250250	2015/08/05	2015/06/02	PRC
28.	ThinkLand Technology Juhe Cloud Data Platform Software (新科蘭德聚合雲數據平台軟件)	V2.0	Our Company	2015SR250245	2015/07/12	2015/07/10	PRC
29.	ThinkLand Technology Juhe Recharge System Software (新科蘭德聚合充值系統軟件)	V1.0	Our Company	2017SR004407	2016/10/01	2016/09/30	PRC
30.	ThinkLand Technology AdEcho Advertising and Marketing Platform Software (新科蘭德AdEcho廣告營銷平台軟件)	V1.0	Our Company	2017SR004099	2016/10/01	2016/09/30	PRC
31.	Tianju Dihe Recharge System Software (天聚地合充值系統軟件)	V2.0	Our Company	2018SR274177	2018/01/30	2018/01/26	PRC
32.	Tianju Dihe Anti-fraud Security Check System Software (天聚地合反欺詐安全查詢系統軟件)	V1.0	Our Company	2018SR274240	2018/01/03	2017/12/28	PRC
33.	Tianju Dihe Industry Big Data Cloud Service Platform Software (天聚地合行業大數據雲服務平台軟件)	V1.0	Our Company	2018SR215817	2018/01/30	2018/01/26	PRC
34.	Tianju Dihe Business Data Inquiry Service Platform Software (天聚地合業務數據查詢服務平台軟件)	V1.0	Our Company	2018SR216341	2018/01/03	2017/12/28	PRC
35.	Tianju Dihe Gift Card Marketing Management Platform Software (天聚地合禮品卡採銷管理平台軟件)	V1.0	Our Company	2019SR0012685	2018/10/25	2018/09/30	PRC
36.	Tianju Dihe Financial Risk Management System Software (天聚地合金融風控系統軟件)	V1.0	Our Company	2019SR0011640	2018/11/05	2018/11/02	PRC
37.	Tianju Dihe Automobile Violation Service Platform System Software (天聚地合汽車違章服務平台系統軟件)	V1.0	Our Company	2019SR0383715	2018/12/30	2018/11/01	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
38.	Tianju Dihe Agency System Software (天聚地合代理商系統軟件)	V1.0	Our Company	2019SR0383726	2018/12/08	2018/12/02	PRC
39.	Tianju Dihe Digital Geofence Monitoring and Warning Software (天聚地合數字地理圍欄監測預警軟件)	V1.0	Our Company	2019SR0659886	2019/05/22	2019/05/22	PRC
40.	Tianju Dihe Magic Mirror Back-office Management Software (天聚地合魔鏡後台管理軟件)	V1.0	Our Company	2019SR1269362	2019/09/02	2019/08/30	PRC
41.	Tianju Dihe Quick Authentication Software (天聚地合捷驗快捷認證軟件)	V1.0.0	Our Company	2019SR1416354	2019/10/18	2019/10/14	PRC
42.	Tianju Dihe Member Ranking System Software (天聚地合會員等級系統軟件)	V1.0	Our Company	2019SR1447643	2019/07/12	2019/07/12	PRC
43.	Tianju Dihe Hui Recharge System Software (天聚地合惠充值系統軟件)	V1.0	Our Company	2019SR1447635	2019/06/20	2019/06/20	PRC
44.	Juhe Data Fuchehui Service Platform Software (聚合數據福車匯服務平台軟件)	V1.0	Our Company	2019SR1447536	2019/07/22	2019/07/22	PRC
45.	Juhe Data Enterprise Information Monitoring and Rating Platform System Software (聚合數據企業信息監控與評級平台系統軟件)	V1.0	Our Company	2020SR0316192	2019/02/26	2019/02/18	PRC
46.	Juhe Data SMS Messaging Network Relationship Software (聚合數據短信發送網關係軟件)	V1.0	Our Company	2020SR0316688	2019/04/01	2019/03/20	PRC
47.	Tianju Dihe External Data Management System Software (天聚地合外部數據管理系統軟件)	V1.1	Our Company	2020SR0350935	2020/01/15	2020/01/15	PRC
48.	Tianju Dihe Enterprise Marketing System Software (天聚地合企業營銷系統軟件)	V6.0	Our Company	2020SR1511669	2019/06/21	2019/06/21	PRC
49.	Tianju Dihe Database Intelligent API Conversion Software System (天聚地合數據庫智能API轉換軟件系統)	V1.0	Our Company	2020SR1819714	2020/02/08	2020/02/08	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
50.	Fengniao Tripartite Data Collection Management Platform (蜂鳥數集三方數據管理平台)	V1.0	Our Company; Hebei Xingfu Xiaofei Finance Co., Ltd. (河北幸福消費金融股份有限公司)	2020SR1823842	2020/11/17	2020/11/16	PRC
51.	Tianju Dihe Violation Payment Service Software (天聚地合違章代繳服務軟件)	V1.0.0	Our Company	2021SR0332939	2020/09/08	2020/09/08	PRC
52.	Tianju Dihe Mobile Point Marketing Service Software (天聚地合移動積分營銷服務軟件)	V1.2	Our Company	2021SR0357091	2020/08/30	2020/08/30	PRC
53.	Tianju Dihe API Open Platform Software (天聚地合API開放平台軟件)	V1.0	Our Company	2021SR0357086	Unpublished	2020/12/16	PRC
54.	Tianju Dihe Internet Defense System Software (天聚地合互聯網防線聽聽系統軟件)	V1.0	Our Company	2021SR0393294	2020/11/16	2020/11/09	PRC
55.	Tianju Dihe SaaS API Management Platform Software (天聚地合SaaS API管理平台軟件)	V1.0	Our Company	2021SR1181216	2021/05/10	2021/05/10	PRC
56.	Tianju Dihe Cloud Data Service Platform Software (天聚地合雲數據服務平台軟件)	V8.5	Our Company	2021SR0571532	2020/10/30	2020/10/30	PRC
57.	Data Lifecycle Agile Governance Platform (數據全生命周期敏捷治理平台)	V1.0	Our Company	2022SR0036671	2021/11/01	2021/11/01	PRC
58.	Tianju Dihe Process Automation Software (天聚地合流程自動化軟件)	V1.0	Our Company	2022SR0191686	2021/11/01	2021/11/01	PRC
59.	Tianju Dihe API Service Governance Platform (天聚地合API服務治理平台)	V1.0	Our Company	2022SR0191687	2021/11/01	2021/11/01	PRC
60.	Digital Police Support Platform (數字戰警支援平台)	V1.3	Our Company	2023SR0334554	2022/12/02	2022/11/30	PRC
61.	SmartShield Privacy Preservation Computing Platform (SmartShield 隱私計算平台)	V1.0	Our Company	2023SR0184215	2022/07/24	2022/07/20	PRC
62.	AnchorChain Blockchain Browser Software (AnchorChain區塊鏈瀏覽器軟件)	V1.0	Our Company	2023SR0088887	2022/07/02	2022/06/20	PRC
63.	AnchorChain Blockchain Network Management Software (AnchorChain區塊鏈網絡管理軟件)	V1.0	Our Company	2023SR0088729	2022/06/10	2022/06/08	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
64.	AnchorDB Immutable Database Software (AnchorDB不可篡改的數據庫軟件)	V1.0	Our Company	2023SR0088732	2022/08/02	2022/07/22	PRC
65.	AnchorDID Decentralized Digital Identity Management Software (AnchorDID去中心化數字身份管理軟件)	V1.0	Our Company	2023SR0563571	2023/02/12	2023/02/07	PRC
66.	Automated stop-loss robot software for fund warning (資金預警自動止損機器人軟件)	V1.0	Our Company	2023SR1483460	2023/06/23	2023/06/22	PRC
67.	APIMaster-gateway Portal System (APIMaster-gateway 網關系統)	V1.0	Our Company	2023SR1318926	2023/07/09	2023/05/19	PRC
68.	Daily Case Acceptance and Abnormality Detection Alert Robot Software (每日受案、立案異常核査預警機器人軟件)	V1.0	Our Company	2024SR0094787	2023/06/30	2023/06/30	PRC
69.	Funds Monitoring and Control Digital Warfare Robot Software (資金查控數字戰警機器人軟件)	V1.0	Our Company	2024SR0093440	2023/08/31	2023/08/30	PRC
70.	Tianju Renhe United Authentication Rights System Software (天聚人合統一認證權限系統軟件)	V1.0.0	Tianju Renhe	2022SR0223584	2021/10/01	2021/07/01	PRC
71.	Tianju Renhe Platform Monitoring Management System Software (天聚人合平台監控管理系統軟件)	V1.0.0	Tianju Renhe	2022SR0223586	2021/05/01	2021/04/01	PRC
72.	Tianju Renhe Data Download Center System Software (天聚人合數據下載中心系統軟件)	V1.0.0	Tianju Renhe	2022SR0224516	2021/10/01	2021/06/15	PRC
73.	Zonghui Juhe Fixed Asset Investment Management System Software (眾匯聚合固定資產投資管理系統軟件)	V1.0	Zhonghui Juhe	2018SR275279	2018/03/01	2018/03/01	PRC
74.	Tianju Renhe Gift Card Management System Software (天聚人合禮品卡管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1668156	Unpublished	2020/05/25	PRC
75.	Tianju Renhe Business Statistics Reporting System Software (天聚人合業務統計報表系統軟件)	V1.0.0	Tianju Renhe	2020SR1668184	Unpublished	2020/05/25	PRC
76.	Tianju Renhe Supplier Management System Software (天聚人合供應商管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1668392	Unpublished	2020/05/25	PRC
77.	Tianju Renhe User Point Management System Software (天聚人合積分用戶管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1668393	Unpublished	2020/06/15	PRC
78.	Tianju Renhe Procurement Management System Software (天聚人合採購管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1668858	Unpublished	2020/05/25	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
79.	Tianju Renhe Customer Management System Software (天聚人合客戶管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1668859	Unpublished	2020/05/25	PRC
80.	Tianju Renhe Gas Card Top-up System Software (天聚人合加油卡充值系統軟件)	V1.0.0	Tianju Renhe	2020SR1669572	Unpublished	2020/02/25	PRC
81.	Tianju Renhe Order Management System Software (天聚人合訂單管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1670002	Unpublished	2020/05/25	PRC
82.	Tianju Renhe Main User Site Fee Management System Software (天聚人合用戶主站費用管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1674593	Unpublished	2020/05/25	PRC
83.	Tianju Renhe Operation Control Management System Software (天聚人合運營控制管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1674822	Unpublished	2020/05/25	PRC
84.	Tianju Renhe Financial Management System Software (天聚人合財務管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1674842	Unpublished	2020/05/25	PRC
85.	Tianju Renhe Product Inventory Point Management System Software (天聚人合積分產品庫存管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1674962	Unpublished	2020/06/15	PRC
86.	Tianju Renhe Main User Site Security Protection System Software (天聚人合用戶主站安全保護系統軟件)	V1.0.0	Tianju Renhe	2020SR1674979	Unpublished	2020/05/25	PRC
87.	Tianju Renhe Main User Site Business System Software (天聚人合用戶主站業務系統軟件)	V1.0.0	Tianju Renhe	2020SR1674980	Unpublished	2020/05/25	PRC
88.	Tianju Renhe Main User Site Customer Information System Software (天聚人合用戶主站客戶信息系統軟件)	V1.0.0	Tianju Renhe	2020SR1677050	Unpublished	2020/05/25	PRC
89.	Tianju Renhe Message Robot Management System Software (天聚人合消息機器人管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1677051	Unpublished	2020/05/25	PRC
90.	Tianju Renhe Product Point Management System Software (天聚人合積分產品管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1677054	Unpublished	2020/06/15	PRC

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No.	Copyright Name	Version	Owner	Copyright Number	First Publication Date (yyyy/mm/dd)	Development Completion Date (yyyy/mm/dd)	Place of Registration
91.	Tianju Renhe Main User Site Bulk Recharge System Software (天聚人合用戶主站批量充值系統軟件)	V1.0.0	Tianju Renhe	2020SR1677055	Unpublished	2020/05/25	PRC
92.	Tianju Renhe Orders Point Management System Software (天聚人合積分訂單管理系統軟件)	V1.0.0	Tianju Renhe	2020SR1696910	Unpublished	2020/06/15	PRC
93.	Phone Bill Recharge Platform System (話費充值平台系統)	V1.0.0	Tianju Renhe	2021SR0753910	Unpublished	2019/12/31	PRC
94.	Tianju Renhe Inventory Procurement System Software (天聚人合庫存採購系統軟件)	V1.0.0	Tianju Renhe	2022SR0223585	Unpublished	2021/11/29	PRC
95.	Tianju Renhe Gateway Routing System Software (天聚人合網關路由系統軟件)	V1.0.0	Tianju Renhe	2022SR0224517	Unpublished	2021/09/01	PRC
96.	Recharge Order System (天聚人合充值訂單系統)	V1.0.0	Tianju Renhe	2023SR0379344	Unpublished	2021/07/01	PRC
97.	Message Publishing Management System (天聚人合消息發布管理系統)	V1.0.0	Tianju Renhe	2023SR0167024	Unpublished	2022/09/30	PRC
98.	Recharge Product Management System (天聚人合充值產品管理系統)	V1.0.0	Tianju Renhe	2023SR0167022	Unpublished	2022/06/30	PRC
99.	After-sales Management System (天聚人合售後管理系統)	V2.0.0	Tianju Renhe	2023SR0167023	Unpublished	2022/11/11	PRC
100.	Operation Control Management System (天聚人合運營控制管理系統)	V2.0.0	Tianju Renhe	2023SR0167025	Unpublished	2022/11/11	PRC
101.	Tianju Renhe Points Mall System (天聚人合積分商城系統)	V1.0	Tianju Renhe	2024SR0227837	Unpublished	2023/09/30	PRC
102.	Tianju Renhe Points Product Management System (天聚人合積分產品管理系統)	V2.0	Tianju Renhe	2024SR0227850	Unpublished	2023/09/30	PRC
103.	Tianju Renhe Points Order Management System (天聚人合積分訂單管理系統)	V2.0	Tianju Renhe	2024SR0227842	Unpublished	2023/09/30	PRC

(d) Domain Names

As of the Latest Practicable Date, we had registered and maintained ownership to the following domain names in China which we consider to be or may be material to our business:

No.	Domain	Owner	Expiry Date (yyyy/mm/dd)
1.	juhe.cn	Our Company	2025/04/04
2.	juheapi.com	Our Company	2024/11/05
3.	tianjurenhe.com	Tianju Renhe	2024/03/27
4.	sdk.cn	Beijing Sidike	2024/09/09

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' and Supervisors' service contracts and appointment letters

Each of our executive Directors and non-executive Directors [has entered] into a service contract with our Company for an initial term of three years, and we [signed] letters of appointment with each of our independent non-executive Directors. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

2. Remuneration of Directors and Supervisors

The aggregate remuneration (including fees, salaries, allowance and other benefits, discretionary bonus, retirement scheme contribution and equity-settled share-based payments as the case may be) paid to our Directors and Supervisors for the three years ended December 31, 2021, 2022 and 2023 was approximately RMB2,306,000, RMB2,472,000 and RMB2,529,000, respectively.

It is estimated that, under the arrangements currently in force, the aggregate amount of remuneration payable to our Directors and Supervisors for the year ending December 31, 2024 will be approximately RMB2.7 million (excluding any discretionary bonus but including historical share-based payment expenses).

The number of our Company's five highest paid individuals for the three years ended December 31, 2021, 2022 and 2023 included four, three, four and five employees who were not our Directors and Supervisors, respectively. The aggregate remuneration (including salaries, allowance and other benefits, discretionary bonus, contribution to retirement scheme and equity-settled share-based payments) payable to such individuals (excluding any of our Directors and Supervisors) for the three years ended December 31, 2021, 2022 and 2023 was approximately RMB2,143,000, RMB3,138,000 and RMB3,735,000, respectively.

During the Track Record Period, no fees were paid by our Group to any of our Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments.

3. Disclosure of interests

(a) *Disclosure of interests of Directors, Supervisors and chief executive of our Company*

Immediately following the completion of the [REDACTED], the interest and/or short position (as applicable) of our Directors, Supervisors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our

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Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are listed, will be as follows:

(i) *Interests in our Company*

Name of Shareholder	Nature of interest	Type of Shares	Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED]		
			Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company	Type of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Zuo	Beneficial interest	Unlisted Shares	19,744,192	43.59%	H Shares	[REDACTED]	[REDACTED]
	Interest of spouse ⁽²⁾	Unlisted Shares	69,042	0.15%	H Shares	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽³⁾	Unlisted Shares	4,345,711	9.59%	H Shares	[REDACTED]	[REDACTED]
Mr. Qiu Jianqiang	Beneficial interest	Unlisted Shares	4,037,978	8.91%	H Shares	[REDACTED]	[REDACTED]
Ms. Ren Yuan	Beneficial interest	Unlisted Shares	628,838	1.39%	H Shares	[REDACTED]	[REDACTED]
Mr. Yu Gang	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	1,298,926	2.87%	H Shares	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) As of the Latest Practicable Date, Ms. Hua was interested in 69,042 Shares. Mr. Zuo and Ms. Hua are spouses. Accordingly, they are deemed to be interested in the same number of Shares that the other person is interested in for the purpose of the SFO.
- (3) These Shares are held by Yiju Liuhe and Liuju Liuhe. As of the Latest Practicable Date, Yiju Liuhe was interested in 3,512,401 Shares where Liuju Liuhe was interested in 833,310 Shares. As Yiju Liuhe was owned as to 99.00% by Mr. Zuo as its sole general partner and Liuju Liuhe was owned as to 69.75% by Mr. Zuo as its sole general partner, Mr. Zuo is deemed to be interested in the Shares held by Yiju Liuhe and Liuju Liuhe.
- (4) As of the Latest Practicable Date, Tahoe Growth, Tahoe Lande and Tahoe Growth II were interested in 569,780, 520,819 and 208,327 Shares, respectively where Tahoe Venture Capital is the general partner of Tahoe Growth, Tahoe Lande and Tahoe Growth II. As Mr. Yu Gang was interested in 58.00% partnership interest in Tahoe Venture Capital, he is deemed to be interested in the Shares held by Tahoe Growth, Tahoe Lande and Tahoe Growth II.

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(ii) Interests in associated corporations of our Company

Name of Supervisor	Name of associated corporation	Nature of interest	Percentage of shareholding
Mr. Yu Gang	Beijing Sidike	Interest in controlled corporation ⁽¹⁾	10%

Note:

- (1) As of the Latest Practicable Date, Tahoe Venture Capital is the general partner of Tahoe Growth, which owns 10% of the equity interest in Beijing Sidike. Mr. Yu Gang was interested in 58.00% partnership interest in Tahoe Venture Capital. Accordingly, he is deemed to be interested in the shares held by Tahoe Growth.

(b) Disclosure of interests of substantial shareholders

Save as disclosed in “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED], our Directors are not aware of any person (not being a Director or chief executive of our Company) who will have interests or short positions in our H Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

4. Agency Fees or Commissions Received

Save as disclosed in the section headed “[REDACTED]”, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

Save as disclosed in this document;

- (a) none of our Directors, Supervisors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [REDACTED];

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- (b) save as disclosed in this document, none of our Directors, Supervisors or any of the experts referred to under paragraph headed “E. Other Information – 12. Qualification of Experts” in this appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (c) so far as is known to our Directors, Supervisors or the chief executive of our Company, no person (not being a Director, Supervisors or chief executive of our Company) will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (d) none of our Directors, Supervisors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. EMPLOYEE INCENTIVE SCHEME

The following is a summary of the principal terms of the employee incentive scheme in relation to Liuju Liuhe (the “**Employee Incentive Scheme**”) approved and adopted by our Company in August 2020 for the purpose of attracting and retaining talents for our Group. Under the Employee Incentive Scheme, eligible participants are entitled to equity interest in Liuju Liuhe (the “**Incentive Shares**”). As of the Latest Practicable Date, all of the Incentive Shares under the Employee Incentive Scheme have been granted to the eligible participants. In addition, our Company intends to expand the scope of the Employee Incentive Scheme to include Yiju Liuhe (our another employee shareholding platform) in the future. As of the Latest Practicable Date, Yiju Liuhe and Liuju Liuhe held approximately 7.75% and 1.84% of our total issued Shares, respectively. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of options by our Company to subscribe for new Shares or award of Shares upon [REDACTED].

(a) Purpose

The purpose of the Employee Incentive Scheme is to attract and retain talents for our Group. The Employee Incentive Scheme foster shared interests between our Shareholders and our management team, thereby furthering our Company’s focus on long-term development.

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(b) Eligible participants

Persons eligible to participate in the Employee Incentive Scheme are the senior management and employees who hold important roles in our Group, and any other person whom the chairman of our Board considers appropriate.

(c) Voting right

Pursuant to the partnership agreement of Liuju Liuhe, the eligible participants who are granted equity interest in Liuju Liuhe became limited partners of Liuju Liuhe and they shall abstain from the management of Liuju Liuhe. All management powers reside with the sole general partner Mr. Zuo.

(d) Scheme administration

Pursuant to the partnership agreement of Liuju Liuhe, Mr. Zuo has been authorized to act as the scheme administrator, and has the authority to, among others, determine the eligible participants of the Employee Incentive Scheme, the number of Incentive Shares to be granted and the grant price after considering the position, work performance and contribution of the eligible participants to the Group.

(e) Vesting of Incentive Shares

The Incentive Shares granted will vest in five years from the date of grant subject to the applicable PRC laws and regulations. In the event that the corresponding employment contract or consultancy agreement of the grantee is terminated prior to the vesting of the Incentive Shares and the Incentive Shares are automatically terminated, such Incentive Shares shall be repurchased by the general partner of Liuju Liuhe at the original grant price.

(f) Disposal of the Incentive Shares

Upon the vesting of the Incentive Shares, the grantees may dispose the Incentive Shares at a price which is within the range of consideration agreed by the general partner of Liuju Liuhe to the entities designated or approved by the general partner of Liuju Liuhe.

E. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

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2. Litigation

Except as disclosed in this document, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group’s results of operations or financial condition, taken as a whole.

3. Application for [REDACTED]

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, (i) the Unlisted Shares to be converted into H Shares; and (ii) the H Shares to be issued as mentioned in this document. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

4. Sole Sponsor’s Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [REDACTED] is US\$[REDACTED].

5. Compliance Advisor

Our Company has appointed Rainbow Capital (HK) Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

6. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

7. Promoter

Mr. Zuo, Mr. Wang Haojin and Mr. Qin Cheng are the promoters of our Company. Within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the [REDACTED] or related transactions herein.

8. Consents of Experts and Interests of Experts in Our Company

Each of the experts as referred to in “E. Other Information – 12. Qualification of Experts” in this appendix has given and has not withdrawn its consent to the issuance of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

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None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

11. Taxation of Holders of H Shares

(a) *Hong Kong*

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) *Consultation with Professional Advisors*

Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

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12. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained herein:

Name	Qualifications
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
King & Wood Mallesons	Legal advisor to our Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
BDO Limited	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Ravia Global Appraisal Advisory Limited	Independent property valuer

13. No Material Adverse Change

Our Directors believe that there has been no material adverse change in the financial or trading position since December 31, 2023 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

14. Miscellaneous

Save as disclosed in this document;

- (a) within the two years immediately preceding the date of this document, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue founder, management or deferred shares or any deferred debentures;

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- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this document, no commission, discount, brokerage or other special term has been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries;
- (f) within the two years immediately preceding the date of this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (i) our Company is not presently **[REDACTED]** on any stock exchange or **[REDACTED]** on any trading system.

APPENDIX VIII

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (h) the contracts referred to in “Appendix VII – Statutory and General Information – C. Further Information About Our Directors and Supervisors and Substantial Shareholders – 1. Particulars of Directors’ and Supervisors’ service contracts and appointment letters”;
- (i) the legal opinions issued by King & Wood Mallesons, our legal advisor as to PRC law, in respect of our general matters and property interests of the Group;
- (j) the PRC Company Law and the PRC Securities Law, together with their unofficial English translations; and
- (k) the Frost & Sullivan Report.