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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": {
    "city": "北京",
    "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"
      },
      {
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        "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.

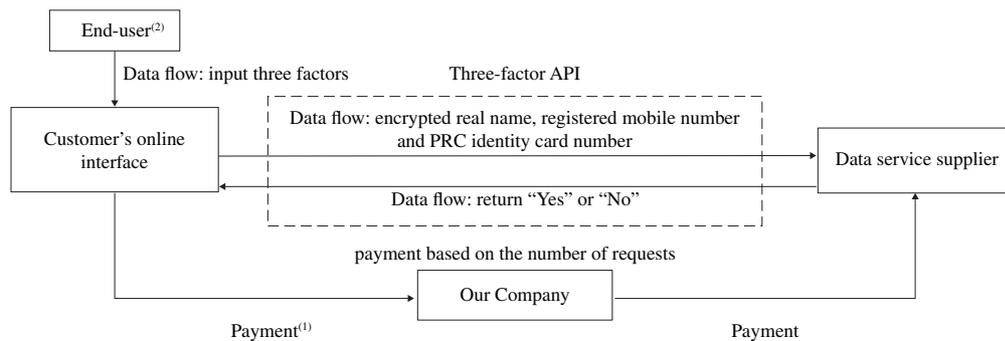
Domestic Services	<p>Three network mobile phone real-name authentication [simplified] Verify whether the information of the three elements of the mobile phone number, name, and ID card number) is consistent. Only reply whether it is consistent or inconsistent, and no reason is required.</p> <p>Payment For company use</p>	<p>ID Verification Verify whether the information of the two elements of the ID card (name and ID card number) is consistent.</p> <p>Payment For company use</p>	<p>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.</p> <p>Payment For company use</p>
Fintech	<p>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.</p> <p>Payment For company use</p>	<p>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.</p> <p>Payment For company use</p>	<p>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.</p> <p>Payment For company use</p>
Data Intelligence	<p>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.</p> <p>Payment For company use</p>	<p>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.</p> <p>Payment</p>	<p>Mobile online time Check the usage time (non-internet time) of the customer's mobile phone card since activation.</p> <p>Payment For company use</p>
Industry and Commerce	<p>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.</p> <p>Payment</p>	<p>Weather forecast Check weather conditions: temperature, humidity, AQI, weather, wind direction, etc.</p>	<p>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.</p> <p>Free</p>
Transport Geography	<p>News headlines Latest news headlines, including domestic, international, sports, entertainment, technology and other information, updated every 5-30 minutes.</p> <p>Free</p>	<p>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.</p> <p>Payment For company use</p>	<p>Horoscope Daily, monthly and annual horoscopes of the twelve constellations.</p> <p>Free</p>
Application Development	<p>Global Administrative Division Query Support for enquiry on administrative divisions of more than 200 countries/regions worldwide.</p> <p>Free</p>		
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.

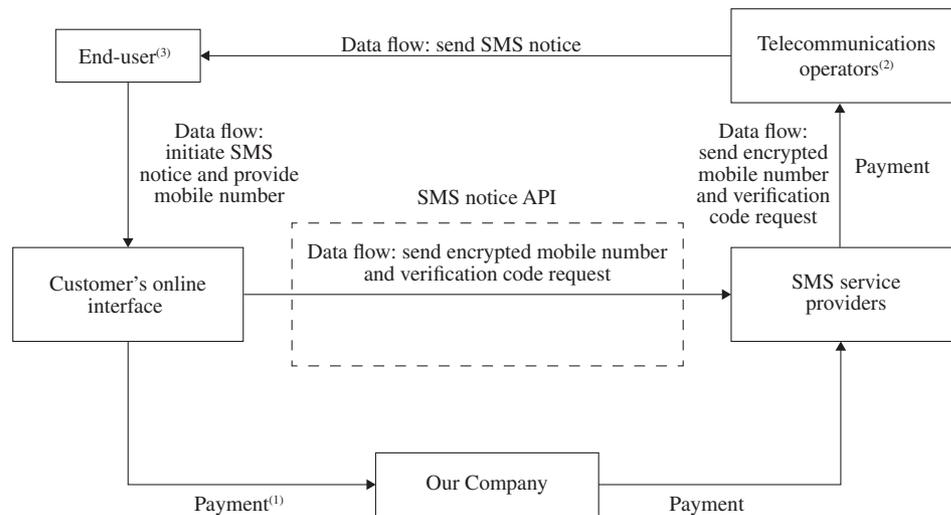
(2) Our Company does not interact directly with end-users.

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.

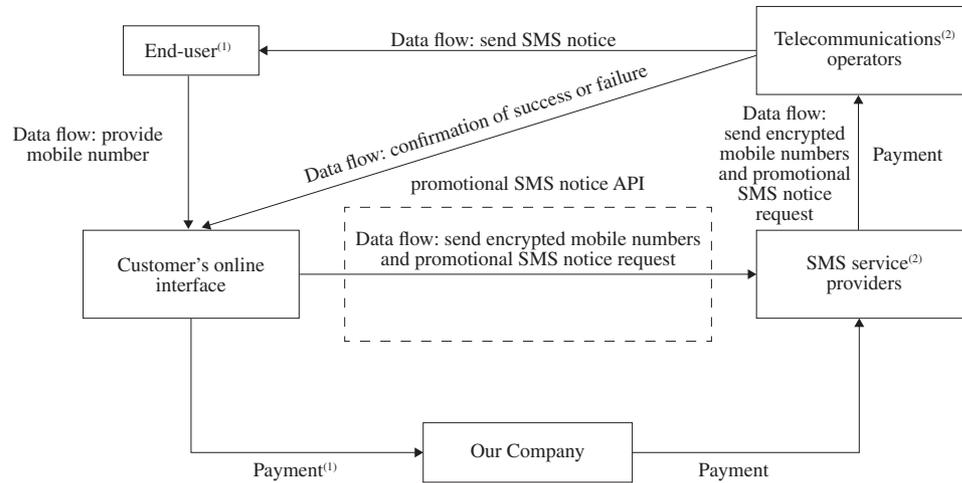
- SMS notice:* Our customers provide services to enable end-users to subscribe for SMS alerts, status updates and promotions. Our APIs facilitate SMS for account registration, login, security notice and password reset. We provided approximately five paid APIs for SMS notice services as of December 31, 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:

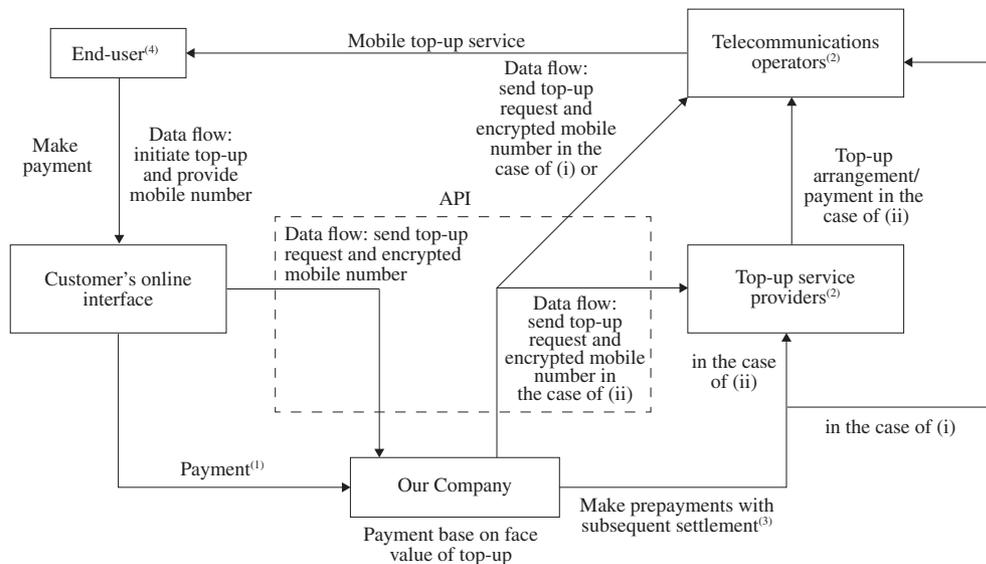


* the area bordered by dashed lines represents one or more APIs offered by our API marketplace.

- (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 (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⁾	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 (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 (in RMB) ⁽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	440101198001010101	2019.5.06	2.5
JH2019001	张明	0	39	1	1	1004	440101198001010101	2019.5.06	2.5
JH2019002	李强		35	1	1	2003	360101198405160101	2019.05.16	2.4
JH2019004	王磊	Null value	35	1	1	9008	440101198405160101	2019.6.05	2.4
JH2019003	陈刚	0	38	The length does not meet the standard	1	3015	360101198405160101	2019.06.15	2.4
JH2020194	周涛	0	35	99999	1	2402	440101198507010101	2020.05.06	1.5
JH2020283	赵子龙	0	31	3	1	1983	360101198405160101	2020.8.13	1.2
RH2099985	王刚	1	32	1	1	湖北襄樊	Y9950101198405160101	2021/9/21	0.1333333

Annotations in the image:

- Duplicate data:** Points to the first two rows (JH2019001).
- Numbering rule does not meet the standard:** Points to the Employee ID RH2099985.
- Code dictionary does not comply with international standards:** Points to the Gender field in row JH2019004 (Null value).
- Code dictionary does not comply with international standards:** Points to the Types of Documents field in row JH2019003 (99999).
- Data type does not meet the standard:** Points to the Types of Documents field in row JH2019003 (The length does not meet the standard).
- Data does not meet the numbering rule:** Points to the PRC Identification Number field in row JH2019003 (360101198405160101).
- Storage format does not meet the standard:** Points to the Employment Commencement Date field in row RH2099985 (2021/9/21).
- Numerical precision does not meet the standard:** Points to the Length of Service field in row RH2099985 (0.1333333).

- 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.

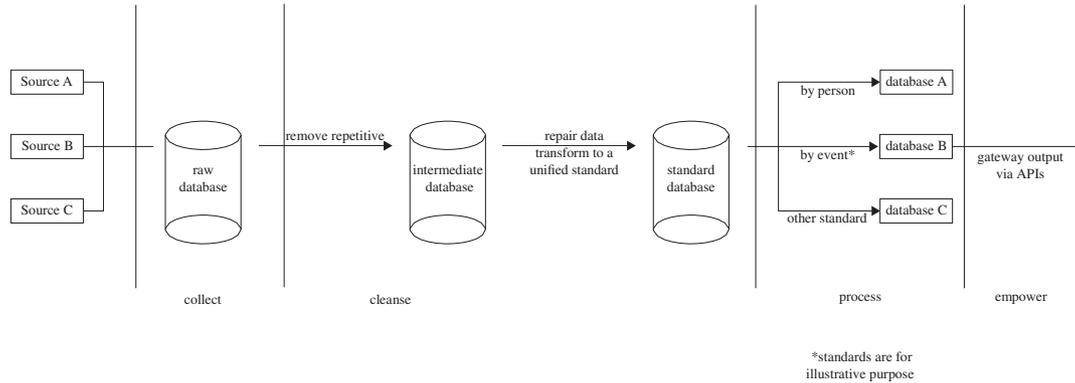
Data management solutions can assist a state-owned securities company in generating APIs for its databases, which contain information relating to publicly listed companies and securities. The platform then outputs data. Prior to release, the platform performs administrative functions such as subscription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

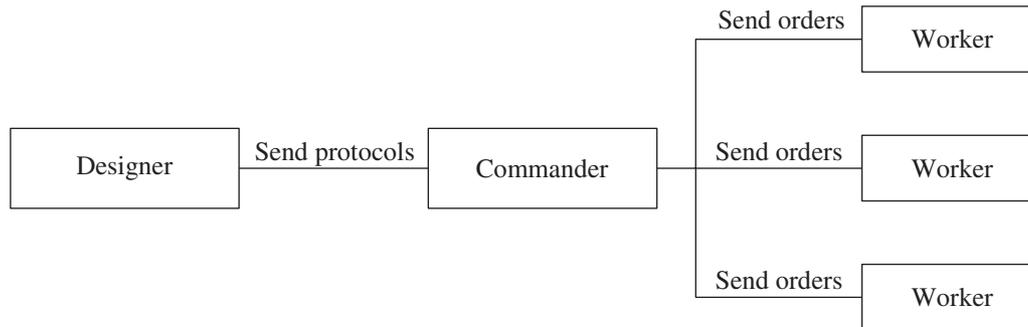
QuickBot is an RPA software designed to execute basic and repetitive tasks with a certain pattern. It simulates human operations on computers through pre-set rule-based processes, helping customers improve efficiency and reduce costs. It has three main application scenarios:

- (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.

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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 (RMB'000)	Percentage of total purchase (%)	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 Xinhé 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 CIIIO, 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 CIIIO, 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.