
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately prior to the [REDACTED], our Company is held as to approximately 43.59%, 7.75%, 1.84% and 0.15% by Mr. Zuo, Yiju Liuhe, Liuju Liuhe and Ms. Hua, respectively. As (i) Ms. Hua is the spouse of Mr. Zuo; and (ii) Mr. Zuo is the sole general partner of Yiju Liuhe and Liuju Liuhe and can exercise the voting rights attached to the Shares held by Yiju Liuhe and Liuju Liuhe in accordance with the respective partnership agreement entered into among the general partner and limited partners of Yiju Liuhe and Liuju Liuhe, Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe are considered to be a group of Controlling Shareholders, who collectively held approximately 53.33% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the [REDACTED], Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe will collectively hold approximately [REDACTED] of our total issued Shares. Accordingly, Mr. Zuo, Ms. Hua, Yiju Liuhe and Liuju Liuhe will remain as our Controlling Shareholders immediately after [REDACTED].

Among our Controlling Shareholders, Mr. Zuo is also our chairman, chief executive officer and executive Director. For further information of Mr. Zuo, see the section headed “Directors, Supervisors and Senior Management”. Ms. Hua has been serving as (i) the executive director and general manager of Shanghai Haotou Investment Management Co., Ltd. (上海豪投投資管理有限公司) since May 2017; and (ii) the assistant to chief executive officer of our Company since January 2019. Yiju Liuhe and Liuju Liuhe are our employee shareholding platforms. For further information of Yiju Liuhe and Liuju Liuhe, see “History, Development and Corporate Structure – Employee Shareholding Platforms”.

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in us after the [REDACTED], for the reasons stated below, we have full rights to make all decisions on, and to carry out, our own business operation independently. We have independent senior management team and staff to support the operation and management of our business. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our offering. We hold the licenses and qualifications necessary to carry on our

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current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders. We have access to suppliers and customers independently from and not connected to our Controlling Shareholders. As of the Latest Practicable Date, our Group did not share any operational resources, such as sales and marketing and general administration resources with our Controlling Shareholders and their respective close associates.

Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Zuo is our chairman, chief executive officer, executive Director and one of our Controlling Shareholders. Our Board has a balanced composition with a majority of non-executive Directors including independent non-executive Directors who are not associated with the Controlling Shareholders.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among others, that he or she must act for the benefit of and in the best interest of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. In the event that there is a potential conflict of interest arising out of any transactions to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. Further, we believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board. See “Corporate Governance” in this section for further details.

Our senior management team comprises nine members, namely Mr. Zuo, Ms. Yang, Mr. Shao Chuangye, Mr. Shao Lida, Mr. Wei Zheng, Mr. Han Jianfeng, Mr. Dong Chuanzu, Mr. Wang Lei and Ms. Ji Shilin. Save for Mr. Zuo, who is the sole general partner of our employee shareholding platforms Yiju Liuhe and Liuju Liuhe, none of our Directors or senior management of our Company had any roles or responsibilities in managing Yiju Liuhe and Liuju Liuhe during the Track Record Period and up to the Latest Practicable Date.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for the financial control, accounting and reporting functions of our Company. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. As of the Latest Practicable Date, there were no loans, advances and

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balances due to and from our Controlling Shareholders, and no share pledges or guarantees provided by our Controlling Shareholders and their associates on our borrowings. Our source of funding is independent from our Controlling Shareholders and neither our Controlling Shareholders nor their respective associates had financed our operations during the Track Record Period. Our Directors also believe that we are able to obtain financing independently from our Controlling Shareholders. During the Track Record Period and up to the Latest Practicable Date, our finance department and accounting systems operate independently from our Controlling Shareholders.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and have not placed undue reliance on our Controlling Shareholders and their close associates. We have also established the Audit Committee comprising one non-executive Director and two independent non-executive Directors in compliance with Rule 3.21 of the Listing Rules.

NON-COMPETITION UNDERTAKING

On [REDACTED], our Controlling Shareholders granted a non-competition undertaking in favour of our Company (the “**Non-competition Undertaking**”), pursuant to which each of our Controlling Shareholders has unconditionally and irrevocably undertaken to us on a joint and several basis that each of them will not, and will procure that his/her/its close associates and/or companies controlled by him/her/it (other than our Group) will not, either on his/her/its own account or in conjunction with or on behalf of any person or company, directly or indirectly be interested in or carry out or acquire or hold any right or interest (in each case whether as a shareholder, partner, principal or director) in any business which competes or is likely to compete directly or indirectly with the business engaged by our Group in the PRC as disclosed in the document, being the provision of standard API services and customized data management solutions (the “**Restricted Activity**”).

If any of our Controlling Shareholders or his/her/its close associates is offered or becomes aware of any new business opportunity that relates to the Restricted Activity (the “**New Business Opportunity**”):

- (a) he/she/it shall within 30 business days notify our Company of such New Business Opportunity in writing and refer the same to our Company for consideration, and shall provide the relevant information to our Company in order to enable our Company to make an informed assessment of such opportunity; and
- (b) he/she/it shall not, and shall procure that his/her/its close associates not to, invest or participate in any New Business Opportunity, unless such New Business Opportunity shall have been rejected by our Company and the principal terms of which the Controlling Shareholders or his/her/its close associates invest or participate in are no more favourable than those made available to our Company.

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The Controlling Shareholders or his/her/its close associates may only engage in the New Business Opportunity if (a) a notice is received by the Controlling Shareholder from our Company confirming that the New Business Opportunity is not accepted (the "**Non-acceptance Notice**"); or (b) the Non-acceptance Notice is not received by the Controlling Shareholder within 30 business days after the proposal of the New Business Opportunity is received by our Company. In the event that there are any material changes to the nature, terms or conditions of the New Business Opportunity accepted by the Controlling Shareholders or his/her/its close associates, the Controlling Shareholders shall and shall procure his/her/its close associates to refer the revised New Business Opportunity to our Company.

Any Director who has an actual or potential material interest in the New Business Opportunity shall abstain from attending (unless his/her attendance is specifically requested by the remaining non-interested Directors) and voting at, and shall not be counted towards the quorum for, any meeting or part of a meeting convened to consider such New Business Opportunity. Our Board (including our independent non-executive Directors) will be responsible for reviewing and considering whether or not to take up a New Business Opportunity referred by a Controlling Shareholder or his/her/its close associates. The factors that will be taken into consideration by our Board in making the decision include the financial implication of the New Business Opportunity, the macroeconomic conditions and whether the nature of the New Business Opportunity is in line with the strategy and development plans of our Group.

The above undertakings are subject to the exceptions that:

- (i) any of our Controlling Shareholders and his/her/its close associates may engage in any business which is not identical or similar to the Restricted Activity and not in direct or indirect competition with the Restricted Activity; and
- (ii) each of our Controlling Shareholders may either by himself/herself/itself individually or through his/her/its close associate(s) hold and/or be interested in any shares or other securities in any private company and/or listed company which engages or is involved in any business or activity which directly or indirectly competes with the Restricted Activity, provided that (a) our Controlling Shareholders and their respective close associates will not participate in or be otherwise involved in the management of that private company and/or listed company; (b) the total shareholding held by our Controlling Shareholders and their respective close associates in such private company and/or listed company, whether directly or indirectly, do not, in aggregate exceed 10% of the issued share capital of such private company and/or listed company; and (c) our Controlling Shareholders and/or his/her/its close associates are not entitled to appoint a majority of the directors of that private company and/or listed company.

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The Non-competition Undertaking is conditional on (i) the Stock Exchange granting the [REDACTED] of, and [REDACTED] in, all of our H Shares to be [REDACTED] under the [REDACTED] and the H Shares to be converted from [REDACTED] Shares, on the Stock Exchange; and (ii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED]) and that the [REDACTED] not being terminated in accordance with their terms or otherwise.

The Non-competition Undertaking shall cease to be effective on the earlier of the dates below:

- (i) the date on which our Controlling Shareholders and their close associates (individually or taken as a whole) cease to be the Controlling Shareholders of our Company for the purpose of the Listing Rules; or
- (ii) the date on which our H Shares cease to be [REDACTED] on the Stock Exchange.

Under the Non-competition Undertaking, each of our Controlling Shareholders has unconditionally and irrevocably undertaken that he/she/it shall and shall procure his/her/its close associates to cooperate to provide all information necessary for the annual review by our independent non-executive Directors, their respective representatives and the auditors of our Group with regard to compliance with the terms of the Non-competition Undertaking. Each of our Controlling Shareholders has also unconditionally and irrevocably undertaken to make an annual declaration as to full compliance with the terms of the Non-competition Undertaking and a consent to disclose such letter in our annual report.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “CG Code”), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates have a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

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- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their close associates, our Company will comply with the applicable Listing Rules;
- (iii) our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our independent non-executive Directors for the Annual Review;
- (v) our Company will disclose decisions (with basis) on matters reviewed by our independent non-executive Directors either in its annual report or by way of announcements;
- (vi) where our Directors reasonably request the advice of independent professionals such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (vii) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to use in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].