
CONNECTED TRANSACTIONS

We have entered into certain transactions with entities that will, upon the [REDACTED], become connected persons of our Company. The transactions disclosed in this section will continue after [REDACTED] and constitute our continuing connected transactions subject to reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Alibaba Cloud Services Framework Agreement

Principal Terms

On June 24, 2024, Alibaba Cloud Computing Ltd. (阿里雲計算有限公司) (“Alibaba Cloud”) and our Company entered into a cloud services framework agreement (the “Alibaba Cloud Services Framework Agreement”), pursuant to which, among others, we agreed to purchase cloud services from Alibaba Cloud.

The Alibaba Cloud Services Framework Agreement has an initial term from the [REDACTED] to December 31, 2026, subject to renewal upon the mutual consent of both parties.

Connected Person

Alibaba Cloud is a fellow subsidiary of Alibaba, our substantial Shareholder, and hence a connected person of our Company under Rule 14A.13(1) of the Listing Rules upon the [REDACTED]. As such, the transactions contemplated under the Alibaba Cloud Services Framework Agreement shall constitute connected transactions of our Company.

Reasons for the Transactions

Alibaba Cloud is a global leader in cloud computing and AI, providing services to its customers in more than 200 countries and regions. The cloud services offered by Alibaba Cloud has been used in our operations since 2016 and our long-time cooperation with Alibaba Cloud has proved that it can provide us with reliable and secure cloud computing and data processing capabilities as a part of its online solutions. Our Directors consider that it would be beneficial to continue using the cloud services provided by Alibaba Cloud to satisfy our increasing demand on cloud computing and data processing capabilities as a result of our business development.

Pricing Policies

The prices of transactions contemplated under the Alibaba Cloud Services Framework Agreement are based on the prices as set out in the price catalog as published by Alibaba Cloud from time to time, which sets out the specific service scope and the corresponding prices, applying discounts as agreed and set out in the business agreement. The prices offered by Alibaba Cloud are comparable to the prices offered by other third-party cloud services providers.

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Historical Amount and Annual Cap

For the years ended December 31, 2021, 2022 and 2023, the transaction amount in respect of the purchase of the cloud services by us from Alibaba Cloud was RMB8.4 million, RMB10.8 million and RMB18.4 million, respectively.

The proposed annual cap for the transactions contemplated under the Alibaba Cloud Services Framework Agreement for the years ended December 31, 2024, 2025 and 2026 is RMB19.8 million, RMB20.8 million and RMB21.8 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors: (1) the prices of cloud services as set out in the price catalog as published by Alibaba Cloud and the discount offered by Alibaba Cloud and agreed by the parties; (2) the historical transaction amounts; (3) the estimated increase in our demand for cloud services as a result of the expected increase in the subscriptions for our cloud-based services by small and micro-sized businesses customers, in light of the government’s promotion of the e-invoice and the digital invoice to replace the paper invoice along with the implementation of the Golden Tax initiatives and our enhanced cooperations with our business collaborators including various leading platform operators such as Taobao (as defined below); and (4) the expected migration of certain data and systems to other cloud service providers with a view to diversifying sources of cloud services supply, which will partially offset the impacts from the estimated increase in our demand for cloud services.

Listing Rules Implications

The transactions contemplated under the Alibaba Cloud Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and our Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions will be more than 0.1% but less than 5%. As such, upon the [REDACTED], and in absence of the grant of a waiver by the Stock Exchange, these transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Taobao Cooperation Framework Agreement

Principal Terms

On June 24, 2024, Taobao and our Company entered into a cooperation framework agreement (the “Taobao Cooperation Framework Agreement”), pursuant to which, among others, Taobao agreed to grant us an access to its online invoice platform under the brand name of “Ali Invoice Platform” and have us serve as a tax service provider on the platform, through which we are able to provide our financial & tax digitalization solutions, including professional invoice services and essential invoice services, to the e-merchants on the e-commerce marketplaces operated by Taobao (“Taobao Merchants”) which subscribe and pay for our

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services, and in return we agreed to pay Taobao for a platform service fee. Our professional invoice services to Taobao Merchants include certain value-added functions such as unlimited issuance, cancellation and bulk-issuance of invoices with supports from both our mobile phone application and the website of Ali Invoice Platform and tax compliance risk detection, whereas our essential invoice services to Taobao Merchants include the essential functions of issuance and cancellation of invoices in a limited number per day with supports from the website of Ali Invoice Platform only.

The Taobao Cooperation Framework Agreement has an initial term from the [REDACTED] to December 31, 2026, subject to renewal upon the mutual consent of both parties.

Connected Persons

Taobao China is the controlling shareholder of Alibaba, our substantial Shareholder, and Zhejiang Taobao is a fellow subsidiary of Alibaba, and hence Taobao are connected persons of our Company under Rule 14A.13(1) of the Listing Rules upon the [REDACTED]. As such, the provisions of platform services by Taobao contemplated under the Taobao Cooperation Framework Agreement shall constitute connected transactions of our Company.

Reasons for the Transactions

Taobao are the operators of Taobao platform and Tmall platform, which together constitute the world’s largest digital retail business in terms of GMV for the twelve months ended March 31, 2024, according to Analysys. Through our cooperations with Taobao, we are able to reach a large number of Taobao Merchants and provide them with our financial and tax digitalization services, which has expanded and will continue to expand our customer base, in light of the leading market position of Taobao in the e-commerce business. For the years ended December 31, 2021, 2022 and 2023, approximately 9,300, 10,400 and 11,000 Taobao Merchants subscribed and paid for our invoice services.

Pricing Policies

During the Track Record Period and for the three years ending December 31, 2026, Taobao charged and will charge us 20% of the total subscription fee received from the Taobao Merchants as the platform service fee, which is determined based on arm’s length negotiations and comparable to the pricing policies under our similar cooperations with other business collaborators. To assist us with the promotion of our professional invoice services, Taobao has agreed to exclude the fee paid by the Taobao Merchants for the first-time subscription of our Company’s professional invoice services when calculating the platform service fee.

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Historical Amount and Annual Cap

For the years ended December 31, 2021, 2022 and 2023, the platform service fee charged by Taobao on us was RMB3.9 million, RMB4.4 million and RMB3.8 million, respectively.

For the years ended December 2024, 2025 and 2026, the proposed annual cap for the platform service fee charged by Taobao on us is RMB5.6 million, RMB6.6 million and RMB7.2 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors: (1) the current fixed rate for calculating the platform service fee; (2) the historical transaction amounts and the growth trend for the three years ended December 31, 2022; and (3) the estimated increase in demand for our cloud financial & tax digitalization solutions by Taobao Merchants, in light of the government’s promotion of the e-invoice and the digital invoice to replace the paper invoice along with the implementation of the Golden Tax initiatives.

Listing Rules Implications

The provisions of platform services by Taobao contemplated under the Taobao Cooperation Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and our Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions will be more than 0.1% but less than 5%. As such, upon the [REDACTED], and in absence of the grant of a waiver by the Stock Exchange, these transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

APPLICATION FOR WAIVER

The transactions described under “—Non-exempt continuing connected transactions” in this section above constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review and announcement requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “—Non-exempt continuing connected transactions” in this section above, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

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DIRECTORS’ VIEW

Our Directors (including the independent non-executive Directors) are of the view that (1) the non-exempt continuing connected transactions described above in this section have been entered into and will be carried out in the ordinary and usual course of business of our Group, on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (2) the proposed annual caps for the non-exempt continuing connected transactions disclosed above are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

SOLE SPONSOR’S VIEW

Based on the documents and information provided by the Company and due diligence conducted, the Sole Sponsor is of the view that (i) the non-exempt continuing connected transactions described above in this section have been entered into and will be carried out in the ordinary and usual course of business of our Group, on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) the proposed annual caps for the non-exempt continuing connected transactions disclosed above are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.