OVERVIEW

We have entered into certain transactions with certain parties which will, upon the **[REDACTED]**, become our connected persons. Upon the **[REDACTED]**, the transactions disclosed under this section will constitute connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Upon completion of the **[REDACTED]**, the following persons and entities with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules:

Connected person	Connected relationship
Mr. Jin	Mr. Jin is an executive Director and a Controlling Shareholder.
Ms. Peng	Ms. Peng is an executive Director and a Controlling Shareholder.
Maoyuanchang Holdings	Maoyuanchang Holdings is held as to 65% by Hangzhou Dashengchang, which is in turn wholly-owned by Mr. Jin. Maoyuanchang Holdings is hence an associate of a connected person of our Company.
Lanzhou Dashengchang Business Management Co., Ltd.* (蘭州達盛昌商業管理有限公司) ("**Lanzhou Dashengchang**")	Lanzhou Dashengchang is held as to 90% by Mr. Chen Minghu (陳明虎) (uncle of Mr. Jin) and 10% by Mr. Jin Zengting (金增挺) (brother of Mr. Jin). As such, Lanzhou Dashengchang is an associate of a connected person of our Company.

ONE-OFF CONNECTED TRANSACTIONS

Property Lease Agreements

Principal terms

We have entered into property lease agreements (the "**Property Lease Agreements**") with Mr. Jin, Ms. Peng, Maoyuanchang Holdings and Lanzhou Dashengchang, respectively, to lease premises located in Lanzhou and Hangzhou (the "**Leased Premises**") as our self-operated stores. Details of the Property Lease Agreements are set out below:

Date of Agreement	Term of the Lease	Landlord	Tenant	Location of the Premise	Total Area	Annual Rental
1 January 2025	1 January 2025 to 31 December 2027	Mr. Jin	Lanzhou Xingyue Keda Eyewear Co., Ltd.* (蘭州星月科達眼鏡有限公司), our wholly-owned subsidiary	No. 25, Xigu Middle Street, Xigu District, Lanzhou	157.93 sq.m	RMB480,000

Date of Agreement	Term of the Lease	Landlord	Tenant	Location of the Premise	Total Area	Annual Rental
1 January 2025	1 January 2025 to 31 December 2027	Ms. Peng	Lanzhou Qiyao Keda Eyewear Co., Ltd.* (蘭州奇耀科達眼鏡有限公司), our wholly-owned subsidiary	No. 14 Heshui Road, Xigu District, Lanzhou	104.62	RMB420,000
1 January 2026	1 January 2026 to 31 December 2027	Ms. Peng	Lanzhou Huisheng Keda Eyewear Co., Ltd.* (蘭州輝盛科達眼鏡有限公司), our wholly-owned subsidiary	Unit 25, 1st Floor, No. 137 Zhangye Road, Chengguan District, Lanzhou	437.20 sq.m	RMB3,600,000
1 December 2021	1 January 2022 to 31 December 2027	Maoyuanchang Holdings	Our Company	No. 3 Xinmin Village, Qingbo Road, Shangcheng District, Hangzhou	70.00 sq.m	2022: RMB95,557.00 2023: RMB96,990.36 2024 to 2027: RMB98,445.21
1 April 2025	10 April 2025 to 9 April 2026	Lanzhou Dashengchang	Lanzhou Shengchang Maoyuanchang Eyewear Co., Ltd.* (蘭州盛昌毛源昌眼鏡有限公司), our wholly-owned subsidiary	No. 159 Anning West Road, Anning District, Lanzhou	115 sq.m	RMB477,000

Pricing policies

The annual rental for each of the leases under the Property Lease Agreements was arrived at after arm's length negotiations with reference to the prevailing market rates for similar properties in the vicinity of the Leased Premises and the historical transaction amounts. According to the fair rent letter issued by an independent valuer in relation to the Leased Premises who was engaged to perform an appraisal on the prevailing market rent for the Leased Premises, the annual rental of each of the Leased Premises is comparable to the prevailing market rate of similar properties in the vicinity. Our Directors are therefore of the view that the Property Lease Agreements have been entered into after arm's length negotiations, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Right-of-use assets and lease liabilities

The value of the right-of-use assets and lease liabilities recognised by our Group in respect of each of the Property Lease Agreements according to IFRS 16 as at the commencement date of the leases are set out below:

Leased Premises	**Right-of-use asset and lease liabilities**
No. 25, Xigu Middle Street, Xigu District, Lanzhou	RMB1,372,000
No. 14 Heshui Road, Xigu District, Lanzhou	RMB1,190,000
Unit 25, 1st Floor, No. 137 Zhangye Road, Chengguan District, Lanzhou	RMB7,078,000
No. 3 Xinmin Village, Qingbo Road, Shangcheng District, Hangzhou	RMB511,000
No. 159 Anning West Road, Anning District, Lanzhou	RMB470,000

Reasons for and benefits of the transactions

We have been leasing the Leased Premises for our operations substantially throughout the Track Record Period. To avoid any unnecessary disruption to our store operations and the additional administrative burden and relocation costs associated with moving our self-operated stores to alternative locations, and given that the rental levels of the Leased Premises are consistent with prevailing market rates, our Directors consider that maintaining these leases is cost-efficient and beneficial to our business operations. Accordingly, our Directors are of the view that the Property Lease Agreements have been entered into after arm's length negotiations, are on normal commercial terms and are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

Listing Rules Implications

In accordance with IFRS 16 "Leases", our Group recognised a right-of-use asset on the statement of financial position in respect of each lease of the Leased Premises. As a result, each lease of the Leased Premises under the Property Lease Agreements is regarded as an acquisition of a capital asset by our Group and constitutes a one-off connected transaction entered into by our Group prior to the **[REDACTED]**, rather than a continuing connected transaction, for the purpose of Chapter 14A of the Listing Rules. Accordingly, the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules will not apply to the leases of the Leased Premises under the Property Lease Agreements.