OVERVIEW

Prior to the [**REDACTED**], our Group has entered into certain transactions with parties who will, upon the [**REDACTED**], become connected persons (as defined in the Listing Rules) of our Company. Details of the connected transactions of our Company following the [**REDACTED**] are set out below.

ONE-OFF CONNECTED TRANSACTIONS

Acquisition of 49% Equity Interests in Yilianwang

Details of our proposed acquisition of 49% equity interests in Yilianwang are set out in "History, Development and Corporate Structure – Acquisition of Yilianwang" in this document, which was entered into on a one-off basis. Capitalized terms used in this section shall have the same meanings as ascribed thereto. As Mr. Cheng is a director and a substantial shareholder of Yilianwang, Mr. Cheng will be our connected person upon the [**REDACTED**] under Chapter 14A of the Listing Rules. Accordingly, the 49% Acquisition constitutes a one-off connected transaction of our Group under Chapter 14A of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders' approval requirements in Chapter 14A of the Listing Rules will not be applicable.

Property Lease Arrangement

Principal Terms

Pursuant to the property lease agreement dated January 3, 2024 and the supplemental agreement to it dated January 1, 2025 (collectively, the "**Property Lease Agreements**") entered into among (i) Enjoyor Technology Co., Ltd. (銀江技術股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300020), being an Independent Third Party) ("**Enjoyor Technology**"), (ii) Mr. Cheng (a director of Yilianwang), (iii) Ms. WU Yingping (the spouse of Mr. Cheng) ("**Ms. Wu**"), and (iv) Yilianwang, Enjoyor Technology, Mr. Cheng and Ms. Wu has leased to Yilianwang (i) the premises with a total gross area of approximately 1,310 sq.m. located at Building 4 and 5/F of Building 4, No. 2 Xiyuan 8th Road, Sandun Town, Xihu District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市西湖區三墩鎮西園八路2號4幢4層、4幢5層) for the purpose of office use at the annual rent of RMB1,000,000 payable to Mr. Cheng and Ms. Wu for the term from January 1, 2024 to December 31, 2024, and (ii) the down-sized premises with a total gross area of approximately 1,095 sq.m. located at East Side 4/F of Building 4 and 5/F of Building 4, No. 2 Xiyuan 8th Road, Sandun Town, Xihu District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市西湖區三墩鎮西園八路2號4幢4層東側、4幢5層) (collectively, the "**Leased Premises**") for the purpose of office use at the annual rent of RMB750,000 payable to Mr. Cheng and Ms. Wu with an initial term commencing from January 1, 2025 till December 31, 2027 (collectively, the "**Lease**").

The Property Lease Agreements were entered into (i) in the ordinary and usual course of business of our Group, (ii) on arm's length basis, and (iii) on normal commercial terms with the rent being determined with reference to, among others, the prevailing market rates for similar properties in the same area and the corresponding property management costs for the Leased Premises. The terms of the Property Lease Agreements are fair and on arm's length basis.

The value of the lease liabilities as of December 31, 2024 and 2025 amounted to approximately RMB2.18 million and RMB1.47 million, respectively. The lease payments to Mr. Cheng and Ms. Wu in relation to the Lease for the two years ended December 31, 2024 and 2025 were RMB1,000,000 and RMB750,000, respectively.

Reasons for and Benefits of the Transaction

Yilianwang has been using the Leased Premises for the purpose of office since January 1, 2024. The Lease is beneficial to the operations of Yilianwang, as (i) the Leased Premises are suitable for office use by Yilianwang, (ii) it can reduce our costs associated with looking for other premises and involving in prolonged negotiations of lease agreements with third party property's owners, and (iii) it is more stable and beneficial of long-term development when the leasing party is under the control of our connected person. In light of the above, our Directors are of the view that such arrangement is in the best interest of our Group and our Shareholders as a whole. Notwithstanding the above, our Directors (including the independent non-executive Directors) are of the view that the contemplated connected transactions under the Property Lease Agreements will have no negative impact on our Group, and do not affect our operational independence.

Listing Rules Implications

In accordance with HKFRS 16 "Leases", our Company recognized a right-of-use asset on its balance sheet in connection with the Lease. Therefore, the Lease will be regarded as an acquisition of a capital asset and a one-off connected transaction of our Company for the purposes of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders' approval requirements in Chapter 14A of the Listing Rules will not be applicable. In the event that there is any material change to the terms and conditions of the Property Lease Agreements, we shall comply with Chapter 14A of the Listing Rules in respect of such agreement as and when appropriate, including, where required, seeking independent shareholders' approval prior to effectuating such changes.