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City Coolxuan Company Limited
城市酷选有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

CONTINUING CONNECTED TRANSACTION ENTERING INTO THE DISTRIBUTION AGREEMENT

BACKGROUND

Since January 2026, the Licensor, being a connected person of the Company, has granted the Licensee a global non-exclusive distribution right in respect of the Applications whereby the Licensee as distributor acquired sets of the Applications from time to time from the Licensor for onward distribution to its sub-distributors and/or end users. The relevant transaction amount for the acquisition of the Applications from the Licensor from January 2026 to February 2026, being RMB1.33 million, has now reached 5% but less than 25% and the annual total transaction amount is below HK$10 million. Such acquisition of the Applications constitute continuing connected transactions for the Company and are therefore subject to reporting, announcement and annual review requirements under the GEM Listing Rules.

DISTRIBUTION AGREEMENT

On 18 March 2026, the Licensee entered into the Distribution Agreement with the Licensor for the global non-exclusive distribution right in respect of the Applications for a fixed term commencing from 1 January 2026 to 31 March 2028.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, the Licensor is owned as to 51% by Mr. Pu and as to 49% by 四川巅峰 which in turn is wholly-owned by Ms. Chen. All of Mr. Pu, Ms. Chen and 四川巅峰 are connected persons of the Company for the purpose of Chapter 20 of the GEM Listing Rules. The Licensor, being the associate of Mr. Pu and 四川巅峰, is also a connected person of the Company under the GEM Listing Rules.

As the applicable percentage ratios calculated in respect of each of the annual caps for the continuing connected transactions contemplated under the Distribution Agreement are less than 25% and the aggregate amount of the proposed annual caps is below HK$10 million, the contemplated transactions under the Distribution Agreement constitute continuing connected transactions of the Company under the GEM Listing Rules and are subject to the announcement, reporting and annual review requirements but are exempt from the requirements for the circular (including independent financial advice) and independent Shareholders' approval under Rule 20.74(2) of the GEM Listing Rules.

BACKGROUND

Since January 2026, the Licensor, being a connected person of the Company, has granted the Licensee a global non-exclusive distribution right in respect of the Applications whereby the Licensee acquired sets of the Applications from the Licensor for onward distribution to its sub-distributors and/or end users. The relevant transaction amount for the acquisition of the Applications from the Licensor from January 2026 to February 2026, being RMB1.33 million, has now reached 5% but less than 25% and the annual total transaction amount is below HK$10 million. The contemplated transactions under the above acquisition of the Applications constitute continuing connected transactions for the Company and are therefore subject to reporting, announcement and annual review requirements under the GEM Listing Rules.

DISTRIBUTION AGREEMENT

On 18 March 2026, the Licensee entered into the Distribution Agreement with the Licensor for the global non-exclusive distribution right in respect of the Applications for a fixed term commencing from 1 January 2026 to 31 March 2028.

The principal terms of the Distribution Agreement are summarised as follows:

1. Date

18 March 2026

2. Parties

i) the Licensor; and

ii) the Licensee.

3. Term

1 January 2026 to 31 March 2028 (both dates inclusive)

4. Subject matter of the Distribution Agreement

The Licensor has agreed to grant the Licensee a global non-exclusive distribution right in respect of the Applications. The Licensee is authorised by the Licensor to carry out sales and promotional activities for the Applications worldwide, including but not limited to directly selling the usage rights in respect of the Applications to third parties, as well as recruiting sub-distributors to engage in distribution business through written agreements.

5. Pricing principle

For each set of the Applications sold by the Licensee, the Licensee shall pay the Licensor a fixed license fee, calculated based on the actual production cost incurred by the Licensor. The Company considers that the pricing is on normal commercial terms, fair and reasonable, and aligns with the overall interests of the Company and its shareholders. The aforesaid pricing would be comparable to and on terms no less favourable than those offered by other independent third parties.

Historical transaction amount

The historical transaction amount of the continuing connected transactions between the Licensor and the Licensee for the period from January 2026 to February 2026 was approximately RMB1.33 million (equivalent to approximately HK$1.48 million).

Annual Caps

For the years ending 31 March 2026, 2027 and 2028, the annual total transaction amount under the Distribution Agreement shall not exceed the following caps (the "**Annual Caps**"):

	Annual Caps For the year ending 31 March		
	2026	**2027**	**2028**
	HK$'000	*HK$'000*	*HK$'000*
Total transaction amount	2,300	5,750	5,750

The above Annual Caps were determined after the consideration of historical transaction amount for the period from January 2026 to February 2026.

INTERNAL CONTROL MEASURES

The Company has formulated internal control measures to ensure that the annual transaction amount under the Distribution Agreement is within the proposed Annual Caps. Relevant personnel from the Company's finance and sales departments shall continue to monitor the transaction amount on a monthly basis to ensure compliance with the proposed Annual Caps. In the event that the relevant personnel from the Company's finance and sales departments anticipates that the transaction amount may exceed the proposed Annual Caps, they must report to the Board (including the independent non-executive Directors) for further evaluation and approval, so as to ensure that the Company complies with the requirements of the GEM Listing Rules.

GENERAL INFORMATION

Information on the Company

The Company is an investment holding company. Its major operating subsidiaries are mainly engaged in the provision of system development services, trading of hardware products and short messaging services (SMS).

Information on the Licensor

The Licensor is a company established in the PRC with limited liability. As at the date of this announcement, the Licensor is owned as to 51% by Mr. Pu and as to 49% by 四川巔峰 which in turn is wholly-owned by Ms. Chen. Mr. Pu is also the sole director and the manager of the Licensor.

The Licensor is principally engaged in scientific research and technical services industry. Its scope of operations includes technical services; technology development; technology consulting; technology exchange; technology transfer; technology promotion; network technology services; sales of daily necessities; online sales (excluding goods requiring licensing); sales of electronic products; sales of communication equipment and sales of computer equipment. (For projects that require approval according to law, business activities may only be carried out after approval by the relevant authorities, and the specific approved business scope shall be subject to the approval documents or permits.)

Information on the Licensee

The Licensee is a company established in the PRC with limited liability. As at the date of this announcement, it is a wholly-owned subsidiary of the Company. The Licensee is principally engaged in the information transmission, software and information technology services industry. Its scope of operations includes technical services; technology development; technical consulting; technical exchange; technology transfer; technology promotion; network technology services; online sales (excluding goods that require licensing); sales of electronic products; sales of communication equipment; sales of computer equipment; and technology import and export; (Items requiring approval may only be carried out after approval by relevant authorities, and the specific business scope shall be subject to the approval documents or permits).

REASONS FOR AND BENEFITS OF ENTERING INTO THE DISTRIBUTION AGREEMENT

The Licensee is an enterprise with established sales channels and marketing capabilities in mobile applications. The Licensor has developed and operates a SaaS-enabled mobile application "城市酷选 APP" that allows merchants from various industries to conduct sharing sales and marketing, and lets consumers access myriad services for local life provided by leading e-commerce platforms and renowned retail chains in the PRC through the "Online-Merge Offline" business model. Such business can work in synergy with the Group's businesses of short messaging services (SMS) and digital product operation.

OPINION OF THE BOARD

The Board (including the independent non-executive Directors) is of the view that the transactions contemplated under the Distribution Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Distribution Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Pu, being the executive Director and indirectly holding a 51% interest in the Licensor, abstained from voting on the relevant Board resolutions approving the Distribution Agreement.

GEM LISTING RULES IMPLICATION

As at the date of this announcement, the Licensor is owned as to 51% by Mr. Pu and as to 49% by 四川巔峰 which in turn is wholly-owned by Ms. Chen. All of Mr. Pu, Ms. Chen and 四川巔峰 are connected persons of the Company for the purpose of Chapter 20 of the GEM Listing Rules. The Licensor, being the associate of Mr. Pu and 四川巔峰, is also a connected person of the Company under the GEM Listing Rules.

As the applicable percentage ratios calculated in respect of each of the annual caps for the continuing connected transactions contemplated under the Distribution Agreement are less than 25% and the aggregate amount of the proposed annual caps is below HK$10 million, the contemplated transactions under the Distribution Agreement constitute continuing connected transactions of the Company under the GEM Listing Rules and are subject to the announcement, reporting and annual review requirements but are exempt from the requirements for the circular (including independent financial advice) and independent Shareholders' approval under Rule 20.74(2) of the GEM Listing Rules.

DEFINITIONS

"四川巔峰"	四川巔峰共創網絡科技有限公司 (Sichuan Peak Co Creation Network Technology Co., Ltd*), a company established in the PRC with limited liability, is wholly-owned by Ms. Chen;
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules;
"Board"	the board of Directors;

"Company"	City Coolxuan Company Limited, a company incorporated in Cayman Islands with limited liability and whose shares are listed on GEM (stock code: 8050);
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules;
"Director(s)"	director(s) of the Company;
"Distribution Agreement"	the distribution agreement entered into between the Licensor and the Licensee on 18 March 2026 in relation to the grant of the global non-exclusive distribution right in respect of the Applications;
"GEM"	GEM of the Stock Exchange;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Licensee"	四川酷选滙盈科技有限公司 (Sichuan Kuxuan Huaying Technology Co., Ltd.*), a wholly-owned subsidiary of the Company;
"Licensor"	四川城市酷选科技有限公司 (Sichuan Urban Cool Selection Technology Co., Ltd.*), a company established in the PRC with limited liability;
"Mr. Pu"	Mr. Pu Jian, an executive Director and a substantial shareholder of the Company, who is deemed to be interested in 73.90% of the entire issued share capital of the Company;
"Ms. Chen"	Ms. Chen Zhenfen, the mother of Mr. Pu and a substantial shareholder of the Company, who is deemed to be interested in 73.90% of the entire issued share capital of the Company;
"percentage ratio(s)	the percentage ratio(s) as defined in Rule 19.07 of the GEM Listing Rules;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	holder of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;

''Applications''	the ''酷选 APP'' together with its integrated "City Coolxuan Local Life Store Marketing System" ("城市酷选本地生活門店營銷系統") which is developed and operated by the Licensor; and
''%''	per cent;

Translation of RMB into HK$ is based on the exchange rate of RMB1: HK$1.1115, and for illustrative purpose only.

By Order of the Board
City Coolxuan Company Limited
Pu Jian
Executive Director and Chairman

Hong Kong, 18 March 2026

As at the date of this announcement, the Board comprises Mr. Wang Xiaoqi, Mr. Pu Jian and Mr. Zhou Zhengjun as executive Directors; Ms. Yao Suyang, Mr. He Wenlong, Mr. Lei Wenzheng and Ms. Deng Yongling as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the ''Latest Listed Company Information'' page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at http://www.8050hk.com.

* *For identification purpose only*