
CONTRACTUAL ARRANGEMENTS

BACKGROUND

We conduct our TV/web series and web films production and distribution business in the PRC (the “**Relevant Businesses**”) through our Consolidated Affiliated Entities which hold the requisite licenses and permits, including the Radio and Television Programs Production and Operation Permit (《廣播電視節目製作經營許可證》) and the Television Drama Production Permit (Class A) (《電視劇製作許可證(甲種)》) (the “**Relevant Licenses**”). Under the applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in any enterprise conducting the production and operation (including distribution) of TV series including made-for-internet programs. Please refer to the section headed “Regulatory Overview — Regulations in Relation to Production and Distribution of Television Programmes” for further details.

In order for our Group to conduct the Relevant Businesses in compliance with the applicable PRC laws and regulations, as part of the Reorganization, we entered into the Contractual Arrangements with Jiangsu Strawbear and the Registered Shareholders (as defined below) on November 20, 2018, which were amended and restated on February 20, 2019, pursuant to which we are able to assert management control over the operations of the Consolidated Affiliated Entities and are entitled to all the economic benefits derived from their operations.

In addition to the Relevant Businesses, we also (i) generate revenue from investment in drama series as a non-executive producer and IP derivatives; and (ii) hold through Jiangsu Strawbear 18.31% passive minority partnership interests in Nanjing Huawen (the “**VIE Minority Interests**”).

Pursuant to the partnership agreement of Nanjing Huawen, the purpose of establishment and principal business of Nanjing Huawen is to jointly develop, together with Jiangsu Strawbear, the made-to-order drama series ordered by Beijing iQIYI without participation in the production and/or distribution process (e.g. to provide consultation on and upfront capital injection in the production of specific TV/web series), while Jiangsu Strawbear is responsible for the production of such drama series. As advised by our PRC Legal Advisors, such principal business of Nanjing Huawen is not subject to foreign investment restriction under the Negative List. The following table sets out the partnership structure of Nanjing Huawen as of the Latest Practicable Date:

<u>Name of partner</u>	<u>Type of partnership</u>	<u>Percentage of interest</u>
Jiangsu Wentou Capital Management Co., Ltd. (江蘇文投資本管理有限公司) (“ Jiangsu Wentou ”)	Executive General partner ¹	42.25%
Nanjing Strawbear	General partner ²	1.41%
Beijing iQiyi	Limited partner	9.86%
Jiangsu Strawbear	Limited partner ³	18.31%
Jiangsu Culture Assets and Equity Exchange (江蘇省文化產權交易所有限公司)	Limited partner	28.17%

Notes:

1. Pursuant to the limited partnership agreement of Nanjing Huawen, Jiangsu Wentou is the executive general partner of Nanjing Huawen, which has been designated by all partners with exclusive rights of management and operation of Nanjing Huawen.

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2. Pursuant to the partnership agreement of Nanjing Huawen, Nanjing Strawbear is obligated to cooperate with Jiangsu Wentou and responsible for recommending high-quality target projects to Nanjing Huawen. Nonetheless, Nanjing Strawbear is not involved in the daily operation or management of Nanjing Huawen.
3. Pursuant to the partnership agreement of Nanjing Huawen, Jiangsu Strawbear, as a limited partner, is obliged to make capital contributions to Nanjing Huawen according to the percentage of its partnership interests. Jiangsu Strawbear is not involved in the daily operation or management of Nanjing Huawen.

We are of the view that the Contractual Arrangements are narrowly tailored for the following reasons:

- (i) each segment of the Relevant Businesses belongs to certain business sectors that fall within the “prohibited” category under the Negative List, therefore, foreign investment in the Relevant Businesses is strictly forbidden and the Group is required to carry out the Relevant Businesses through the Contractual Arrangements;
- (ii) the Relevant Licenses are required for the businesses that belong to the sector of “radio and television program production and operating (including import business) companies.” According to the interview with Jiangsu Provincial Radio and Television Administration, Horgos Bureau of Culture, Sports, Radio, Television and Tourism conducted by our PRC Legal Advisors, the Joint Sponsors’ PRC legal advisors and the Joint Sponsors on June 23, 2020 and July 3, 2020 and the interview with NRTA conducted by the Joint Sponsors’ PRC legal advisors on August 2, 2019, respectively, which are the competent authorities in charge of applications for the aforementioned licenses as confirmed by our PRC Legal Advisors, none of these authorities has accepted, or will in the foreseeable future, accept any application for the aforementioned licenses made by a wholly-foreign-owned enterprise or a sino-foreign equity joint venture, and we are therefore required to carry out our Relevant Businesses through the Contractual Arrangements;
- (iii) our currently on-going co-investment in drama series with the role of non-executive producer involves our participation in the production process of such drama series, which falls within the “prohibited” category under the Negative List as advised by our PRC Legal Advisors, and thus are conducted by Jiangsu Strawbear, one of our Consolidated Affiliated Entities. We will ensure that (a) our future co-investments in drama series involving participation of production and/or distribution process will be conducted by the Consolidated Affiliated Entities; and (b) if we engage in any business of making pure financial investment in drama series without participation in their production and/or distribution process, which does not fall within restricted or prohibited foreign investment business as advised by our PRC Legal Advisors, such business will be conducted by the wholly-foreign-owned enterprises of our Group or their subsidiaries;
- (iv) as advised by our PRC Legal Advisors, our IP derivative projects relating to our self-produced drama series shall be deemed as the “operation activities of radio and television programmes” as regulated by the Administrative Provisions on the Production and Distribution of Radio and Television Programmes (《廣播電視節目製作經營管理規定》), which falls within the “prohibited” category under the Negative List, and thus are conducted by Jiangsu Strawbear, one of the Consolidated Affiliated Entities. We will ensure that (a) if we engage in any business of IP derivatives relating to our self-produced drama series, such

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business will be conducted by the Consolidated Affiliated Entities; (b) if we engage in any business of IP derivatives not relating to drama series, which does not fall within restricted or prohibited foreign investment business, such business will be conducted by the wholly-foreign-owned enterprises of our Group or their subsidiaries;

- (v) we have compelling reasons to continue holding the VIE Minority Interests through the Contractual Arrangements and have demonstrated genuine efforts to comply with the applicable PRC laws and regulations:

- *Passive minority investment in Nanjing Huawen*

The operation and management rights of Nanjing Huawen have been exclusively designated to and controlled by its executive general partner, whereas we are merely a passive minority investor in Nanjing Huawen and are not involved in its daily operation or management. Furthermore, we will not increase our partnership interests in Nanjing Huawen or acquire any executive rights with respect to the operation or management of Nanjing Huawen in the future. As such, the influence we could exert on other partners in relation to the transfer of the VIE Minority Interests is very limited and we are not in a position to reorganize the structure of Nanjing Huawen in a flexible manner.

- *Lack of consent/cooperation of other partners of Nanjing Huawen*

The principal business of Nanjing Huawen is to jointly develop, together with Jiangsu Strawbear, the made-to-order drama series ordered by Beijing iQIYI, which is also one of the limited partners of Nanjing Huawen. In addition, it is a requirement of both of the executive general partner of Nanjing Huawen and Beijing iQIYI that Jiangsu Strawbear, which holds the Relevant Licenses and is involved in the development and production process of such made-to-order drama series, shall retain its partnership interests in Nanjing Huawen, such that Nanjing Huawen would be able to conduct its principal business in line with the purpose of its establishment by the relevant partners. Therefore, the consents from Jiangsu Wentou and Beijing iQIYI are essential for the business development and sustainability of Nanjing Huawen should the partnership interests held by Jiangsu Strawbear are to be transferred.

We have engaged in several rounds of communication with Jiangsu Wentou and Beijing iQIYI in respect of our proposal to transfer a portion or all of the VIE Minority Interests, but such requests were explicitly rejected and the partnership interests held by Jiangsu Strawbear are required by them to remain unchanged, as the respective percentage of the partnership interests held by each of Jiangsu Strawbear and Nanjing Strawbear was agreed among all partners as a precondition for the establishment of Nanjing Huawen with reference to the following factors: (a) Jiangsu Strawbear holds the Relevant Licenses and plays an irreplaceable role in the development and production process of the made-to-order drama series jointly developed by Nanjing Huawen and ordered by Beijing iQIYI; and (b) compared with Nanjing Strawbear, considerably higher percentage of partnership interests held by Jiangsu Strawbear represents larger amount of capital injection and risk exposure which is commercially in conformity with its significance and level of participation in the development and production process of the drama series as mentioned above. Nevertheless, we will transfer the VIE Minority Interests to other members of the Group that are held by us through equity shareholding once the consents from Jiangsu Wentou and Beijing iQIYI are obtained in the future.

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- *Immaterial contributions to the Group*

The VIE Minority Interests are passive and non-controlling interests classified as investment in a joint venture in our financial statements. As of June 30, 2020, the aggregate carrying value of the VIE Minority Interests amounted to approximately RMB14.0 million, accounting for approximately 0.70% of our total assets as of the same date. Furthermore, we barely recorded any gain or loss from the VIE Minority Interests for the year ended December 31, 2019 and the six months ended June 30, 2020. As advised by our PRC Legal Advisors, Nanjing Huawen, as a limited partnership, can only conduct its business in accordance with its purpose of establishment as stipulated in its partnership agreement (i.e. to jointly develop the made-to-order drama series ordered by Beijing iQIYI together with Jiangsu Strawbear). Therefore, Nanjing Huawen cannot conduct its business with any other party but Jiangsu Strawbear. As of the Latest Practicable Date, we only had one on-going drama series jointly developed with Nanjing Huawen, i.e. *Breath of Destiny* (一起深呼吸) which is expected to be broadcast on the platform of iQIYI in the first quarter of 2021. We currently do not have any intention to either increase our partnership interests in Nanjing Huawen or jointly develop any new drama series with Nanjing Huawen except for the above-mentioned one on-going drama series, therefore the contribution of the VIE Minority Interests to our profit before tax or total assets are expected to remain less than 1%.

- *Internal control measures*

Pursuant to the partnership agreement of Nanjing Huawen, the term of business operation of Nanjing Huawen is limited to two years from its date of registration on November 29, 2019, therefore we will cease to hold the VIE Minority Interests through Jiangsu Strawbear after November 28, 2021. Until then, we will closely monitor the VIE Minority Interests through our relevant internal control measures, which include that, without limitation, (a) major issues in relation to the VIE Minority Interests including any changes in the VIE Minority Interests or any amendments to the partnership agreement of Nanjing Huawen are subject to review and approval of our Board; and (b) our legal and compliance department will work with our financial department to conduct quarterly review on the financial results of the VIE Minority Interests. Furthermore, in the event that we propose to acquire any equity interest in any other company whose business is not subject to foreign investment restrictions under the applicable PRC laws and regulations, we will only do so through our wholly-foreign owned subsidiaries.

Our Directors also believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between Nanjing Strawbear, Jiangsu Strawbear and the Registered Shareholders (as defined below); (ii) by entering into the Exclusive Business Cooperation Agreement with Nanjing Strawbear, which is a PRC subsidiary of our Company, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the Listing, and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

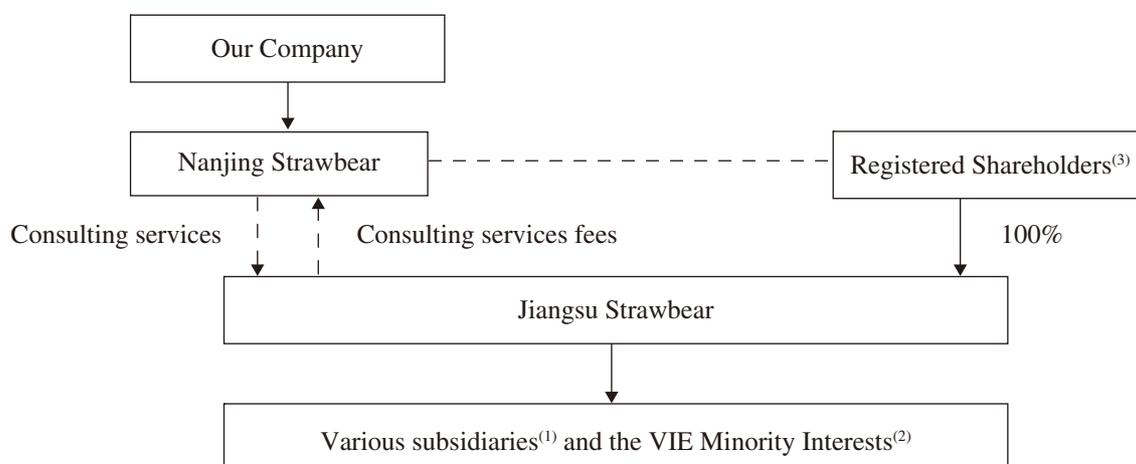
We will unwind and terminate the Contractual Arrangements wholly or partially once our businesses are no longer prohibited or restricted from foreign investment. If we engage in any new business that is not subject to any foreign investment restrictions under the applicable PRC laws and regulations, such new business will be carried out by the wholly-foreign-owned enterprises of our Group or their subsidiaries after the Listing.

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For further details of the licensing and approval requirements applicable to the Relevant Businesses under the PRC laws and regulations, see “Regulatory Overview — Regulations in Relation to Production and Distribution of Television Programmes.”

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The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements:



Notes:

—> denotes direct legal and beneficial ownership in the equity interest.

-> denotes contractual relationship.

- - - denotes the control by Nanjing Strawbear over our Consolidated Affiliated Entities through (i) powers of attorney to exercise all shareholders’ rights in Jiangsu Strawbear, (ii) exclusive options to acquire all or part of the equity interests in Jiangsu Strawbear and (iii) equity pledges over the equity interest in Jiangsu Strawbear.

(1) These include Horgos Strawbear, Beijing Strawbear and Nova Film.

(2) These refer to the 18.31% partnership interests held by Jiangsu Strawbear in Nanjing Huawen.

(3) As of the Latest Practicable Date, Jiangsu Strawbear was held as to 100% by the following persons (collectively, the “Registered Shareholders”):

Shareholder	Registered capital (RMB)	Percentage of shareholding
Mr. Liu	7,790,000	77.9%
Ms. Liu	2,000,000	20.0%
Ms. Zhao	100,000	1.0%
Ms. Zhang	100,000	1.0%
Ms. Zhai	10,000	0.1%
Total	10,000,000	100%

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Exclusive Business Cooperation Agreement

Nanjing Strawbear and Jiangsu Strawbear entered into an exclusive business cooperation agreement on November 20, 2018 which was amended and restated on February 20, 2019 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which, in exchange for a service fee, Nanjing Strawbear agreed to provide Jiangsu Strawbear and its controlled subsidiaries with comprehensive management consulting services, including but not limited to:

- providing technical support and business consultation services;
- providing brand placement marketing agent and marketing consultation services;
- providing intellectual properties licensing;
- providing human resource management services;
- providing financial support permitted under applicable PRC laws and regulations;
- other services reasonably requested by Jiangsu Strawbear and its controlled subsidiaries, permitted under applicable PRC laws and regulations.

The service fee under the Exclusive Business Cooperation Agreement shall consist of 100% of the total consolidated profits of Jiangsu Strawbear and its controlled subsidiaries under HKFRS, after offsetting the prior-year loss (if any), operating costs, expenses, taxes and other statutory contributions, and Nanjing Strawbear has the right to adjust the service fee at any time based on the complexity, actual time required, content and commercial value of the services provided to Jiangsu Strawbear and market price of services of the same nature.

Nanjing Strawbear shall entrust the above services to Jiangsu Strawbear on an exclusive basis, which means that not only does Jiangsu Strawbear agree to accept the above services provided by Nanjing Strawbear, it also agrees that, during the term of the Exclusive Business Cooperation Agreement, without prior written consent of Nanjing Strawbear, Jiangsu Strawbear shall not and shall procure its subsidiaries not to accept professional consultancy and services provided by any third party other than the cooperating banks, that are identical or similar to the services contemplated in the Exclusive Business Cooperation Agreement so as to wholly or partially invalidate the rights and obligations of Nanjing Strawbear to provide services to Jiangsu Strawbear in accordance with the terms of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement shall be effective upon execution and shall remain valid for 10 years. Subject to compliance with the Listing Rules, the Exclusive Business Cooperation Agreement shall be automatically renewed for a term of 10 years upon its expiration, unless terminated in accordance with the terms therein.

Exclusive Option Agreement

Nanjing Strawbear, Jiangsu Strawbear and the Registered Shareholders entered into an exclusive option agreement on November 20, 2018 which was amended and restated on February 20, 2019 (the “**Exclusive Option Agreement**”), pursuant to which Nanjing Strawbear (or its designees) was granted an

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irrevocable, unconditional and exclusive right (the “**Exclusive Option Rights**”) to purchase from the Registered Shareholders all or any part of their equity interests in Jiangsu Strawbear for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the Registered Shareholders shall return any amount of the purchase price they have received to Nanjing Strawbear or its designees. Upon receiving the notice issued by Nanjing Strawbear (or its designees) to exercise their Exclusive Option Rights (the “**Notice**”), the Registered Shareholders and Jiangsu Strawbear will take all necessary actions to engage in and complete the approval, filing, or registration procedures with regulatory authorities without any delay, so that the relevant equity interest in Jiangsu Strawbear as set out in the Notice, without any security interest attached to them, can be effectively registered under the name of Jiangsu Strawbear (or its designees).

Jiangsu Strawbear and the Registered Shareholders, separately and jointly, irrevocably covenant and warrant, among other things, that they:

- shall not supplement, change, or amend the business scope and the articles of association of Jiangsu Strawbear, or increase or reduce the registered capital of Jiangsu Strawbear, or otherwise change the structure of the registered capital of Jiangsu Strawbear, or separate, dissolve or otherwise change the corporate form of Jiangsu Strawbear, without prior written consent of Nanjing Strawbear;
- shall maintain the standing of Jiangsu Strawbear, operate its business and handle its affairs prudently and effectively, in accordance with good financial and commercial standards and practice, and shall procure Jiangsu Strawbear to perform the obligations under the Exclusive Business Cooperation Agreement;
- shall not sell, transfer, gift, mortgage, or otherwise dispose of, create any encumbrance over the legitimate interest or beneficial interest of any assets, business, or incomes of Jiangsu Strawbear (other than disposal of any asset with a value of less than RMB1 million for daily operation purposes only) at any time since the date of the Exclusive Option Agreement, without prior written consent of Nanjing Strawbear;
- unless required by PRC laws and regulations, Jiangsu Strawbear shall not be dissolved or liquidated without the consent of Nanjing Strawbear;
- shall not incur or allow the incurrence of any debts to Jiangsu Strawbear, unless (i) the debts are incurred in normal or ordinary course of business; or (ii) the debts have been disclosed to and consented (in writing) by Nanjing Strawbear;
- shall operate Jiangsu Strawbear in the ordinary course of business so as to maintain Jiangsu Strawbear’s asset value, and shall not carry out any action or omission which may affect the operational situation or asset value of Jiangsu Strawbear;
- shall not cause Jiangsu Strawbear to enter into any material contracts with the amount exceeding RMB5 million without prior written consent of Nanjing Strawbear (except for contracts entered into in the normal course of business and contracts entered into between Jiangsu Strawbear and the offshore holding company of Nanjing Strawbear or its subsidiaries);

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- shall not provide any loan or guarantee to any person without prior written consent of Nanjing Strawbear;
- shall, at the request of Nanjing Strawbear, provide, among others, all information on the operation and financial conditions of Jiangsu Strawbear;
- shall purchase and maintain insurance over the assets and business of Jiangsu Strawbear from an insurance carrier acceptable to Nanjing Strawbear, at an amount and type of coverage typical for companies carrying on similar businesses in the PRC;
- procure or consent to the spin-off of Jiangsu Strawbear, or the merger or the association with, or the investment into any entity by Jiangsu Strawbear;
- shall immediately notify Nanjing Strawbear of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the assets, business and revenue of Jiangsu Strawbear, and take all necessary measures in accordance with the reasonable request of Nanjing Strawbear;
- shall, for the purpose of safeguarding Jiangsu Strawbear of its ownership over its assets, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate claims or raise necessary and appropriate defenses against all claims;
- acknowledge, in the event that Jiangsu Strawbear or any of its shareholders fails to fulfill his/her/its tax obligations under applicable laws, leading to an impediment on the exercise of the Exclusive Option Rights by Nanjing Strawbear, Nanjing Strawbear has the right to request Jiangsu Strawbear or its shareholders to fulfill such tax obligation, or request Jiangsu Strawbear or its shareholders to pay such amount of tax to Nanjing Strawbear such that Nanjing Strawbear shall pay such amount on behalf of Jiangsu Strawbear or its shareholders; and
- shall not, without prior written consent of Nanjing Strawbear, in any manner distribute dividends, distributable interests, and/or any other income arising from any assets or shares held by the Registered Shareholders; provided that, upon written request of Nanjing Strawbear, Jiangsu Strawbear shall immediately distribute all distributable interests to its shareholders.

The Registered Shareholders, separately and jointly, irrevocably covenant and warrant that, without prior written consent of Nanjing Strawbear, they shall, among other things:

- not sell, transfer, pledge, or otherwise dispose of, or allow any encumbrance to be placed on the legitimate or beneficial interest of any share of Jiangsu Strawbear held by them, except the pledge set on the shares of Jiangsu Strawbear in accordance with the Equity Pledge Agreement;

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- not vote in favor of or support or execute any resolutions on meetings of shareholders and/or board meetings of Jiangsu Strawbear to approve to sell, transfer, pledge, or otherwise dispose of the legitimate or beneficial interest of any share, or to allow any encumbrance (except the pledge set on the shares of Jiangsu Strawbear in accordance with the Equity Pledge Agreement) to be placed on it;
- not vote in favor of or support or execute any resolutions on meetings of shareholders and/or board meetings of Jiangsu Strawbear to approve the merger, partnership, joint venture or the association with, or the investment into any entity by Jiangsu Strawbear, or the separation, amendment of articles of association, or the change in registered capital or corporate form of Jiangsu Strawbear; and
- procure Jiangsu Strawbear to hold the meeting of shareholders and/or board meeting in a timely manner and vote in favor of the transfer of the purchased shares purchased under this Agreement.

Should the events of default (as provided in the Exclusive Option Agreement) by Jiangsu Strawbear or the Registered Shareholders occur, unless otherwise required by PRC laws and regulations, Nanjing Strawbear shall have the right to terminate the Exclusive Option Agreement and require Jiangsu Strawbear or the Registered Shareholders to compensate for the damages.

Equity Pledge Agreement

Nanjing Strawbear, Jiangsu Strawbear and the Registered Shareholders entered into an equity pledge agreement on November 20, 2018 which was amended and restated on February 20, 2019 (the “**Equity Pledge Agreement**”), pursuant to which the Registered Shareholders agreed to pledge all of their respective equity interest in Jiangsu Strawbear to guarantee the performance of the obligation of, and the representations, undertakings, and warrants provided by Jiangsu Strawbear and the Registered Shareholders under the Contractual Arrangements.

The pledge under the Equity Pledge Agreement shall take effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid until the earlier of: (i) the last secured debt and contractual obligations guaranteed by the pledge are fully paid and fulfilled; (ii) Nanjing Strawbear decides to purchase all the equity interests of Jiangsu Strawbear held by the Registered Shareholders in accordance with the Exclusive Option Agreement permitted by PRC law, the Registered Shareholders’ equity interests Jiangsu Strawbear has been transferred to Nanjing Strawbear and/or its designated party, and Nanjing Strawbear, its subsidiaries and branches can legally engage in the business of Jiangsu Strawbear; (iii) Nanjing Strawbear unilaterally requests to terminate this agreement; and (iv) termination in accordance with applicable PRC laws and regulations. The registration of the pledge of equity interests has been completed as of April 2020 in accordance with the terms of the Equity Pledge Agreement and the applicable PRC laws and regulations.

Should the events of default (as provided in the Equity Pledge Agreement) occur, unless satisfactorily rectified within 30 days after Nanjing Strawbear requests rectification in writing, Nanjing Strawbear shall have the right to require the Registered Shareholders and/or Jiangsu Strawbear to immediately pay all outstanding payments due and payable under the Exclusive Business Cooperation Agreement, all arrears under transaction agreements and all other payments due and payable to Nanjing Strawbear, and/or repay the loan, and/or dispose of the pledged equity in accordance with the Equity Pledge Agreement and/or to the extent permitted by law.

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Voting Rights Proxy Agreement and Powers of Attorney

Nanjing Strawbear, Jiangsu Strawbear and the Registered Shareholders entered into a voting rights proxy agreement on November 20, 2018 which was amended and restated on February 20, 2019 (the “**Voting Rights Proxy Agreement**”) with an annexure of the powers of attorney (the “**Powers of Attorney**”) executed by the Registered Shareholders, pursuant to which the Registered Shareholders unconditionally and irrevocably appoint Nanjing Strawbear and its designees as their attorney-in-fact, to exercise all the rights that they have as the shareholders of Jiangsu Strawbear as set out in the then-valid articles of association of Jiangsu Strawbear, including but not limited to:

- proposing to convene and attend the general meeting of shareholders, executing meeting minutes and resolutions, exercising voting rights on all matters that need to be discussed and resolved in the general meeting of shareholders (including but not limited to the appointment, election, or removal of the legal representative, directors, supervisors, and senior management of Jiangsu Strawbear) of Jiangsu Strawbear, and executing any documents that need to be executed by the shareholders of Jiangsu Strawbear and submitting any document to the company registration authority for filing purposes;
- resolving on the disposals of the assets of Jiangsu Strawbear;
- resolving on the bankruptcy, dissolution and liquidation of Jiangsu Strawbear, and distribute the remaining assets after the bankruptcy, liquidation, dissolution or termination of Jiangsu Strawbear;
- deciding to transfer, pledge or dispose of the shares held by the Registered Shareholders;
- deciding to submit and register documents related to Jiangsu Strawbear to government departments; and
- other shareholders’ rights stipulated by applicable PRC laws and regulations (including the amendments, modifications, supplements, and re-enactments, whether entering into force before or after the execution of the Voting Rights Proxy Agreement and Powers of Attorney) and the articles of association (as amended) of Jiangsu Strawbear.

The Registered Shareholders undertook that they will not revoke the appointment of Nanjing Strawbear and its designees as their attorney-in-fact, and there are no potential conflicts of interest in relation to such appointment.

The Voting Rights Proxy Agreement and Powers of Attorney shall be effective upon execution, and shall remain effective ever after, until Nanjing Strawbear unilaterally terminates the Voting Rights Proxy Agreement and Powers of Attorney or all of the Registered Shareholders’ equity interests in Jiangsu Strawbear have been legally and effectively transferred to Nanjing Strawbear and/or its designees.

Spouse Undertakings

The spouse of each of the Registered Shareholders, where applicable, has signed an undertaking (collectively, the “**Spouse Undertakings**”) to the effect that, among others, (i) the shares of Jiangsu Strawbear held and to be held by each of the Registered Shareholders do not fall within the scope of communal properties; and (ii) he or she waives any rights or interests that may be granted to him or her under the applicable laws of any jurisdictions, and he or she undertakes not to claim such rights or interests.

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The spouse of each of the Registered Shareholders, where applicable, has also consented to the Exclusive Option Agreement, the Exclusive Business Cooperation Agreement, the Equity Pledge Agreement and the Voting Rights Proxy Agreement and Powers of Attorney. Our PRC Legal Advisors are of the view that (i) the above arrangements provide protection to our Group even in the event of death or divorce of any relevant individual Registered Shareholders; and (ii) the death or divorce of such shareholder would not affect the validity of the Contractual Arrangements, and Nanjing Strawbear or our Company can still enforce their right under each of the agreements under the Contractual Arrangements (the “**Structured Contracts**”) against the Registered Shareholders.

Confirmation from the Registered Shareholders

Each of the individual Registered Shareholders undertakes to Nanjing Strawbear that, in the event of death, incapacity, divorce, or other circumstances regarding the Registered Shareholders which may affect the exercise of his or her direct or indirect equity interests (together with any other interests therein) in Jiangsu Strawbear, the Registered Shareholder’s respective spouse, successor, custodian, creditor, and any other person/entity which may as a result of the above events claim rights or other benefits on the equity interests (together with any other interests therein) in Jiangsu Strawbear directly or indirectly shall not prejudice or hinder the enforcement of the Contractual Arrangements.

Dispute Resolution

Each of the Structured Contracts stipulates that the parties shall negotiate in good faith to resolve the dispute in the event of any dispute with respect to the construction and performance of the provisions. In the event the parties fail to reach an agreement on the resolution of such a dispute within 30 days after any party’s request for resolution of the dispute through negotiations, any party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then-effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Each of the Structured Contracts also provides that (i) the arbitral tribunal may award remedies over the equity interests or assets of Jiangsu Strawbear, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Jiangsu Strawbear; and (ii) the courts of the PRC, Hong Kong, the Cayman Islands (being the place of incorporation of the Company) and other jurisdictions (being the places where the principal assets of Nanjing Strawbear or Jiangsu Strawbear are located) also have jurisdiction for the grant or enforcement of the arbitral award and the interim remedies against the shares or property interest of Jiangsu Strawbear.

However, our PRC Legal Advisors have advised that (i) the agreement that the relevant arbitration organization can make an award according to its authority and require the dissolution of Jiangsu Strawbear may not be implemented in accordance with the current PRC laws; (ii) interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the above mentioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid, and binding on the parties to the agreement under the Contractual Arrangements.

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As a result of the above, in the event that Jiangsu Strawbear or any of the Registered Shareholders breaches any of the Structured Contracts, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. For further details, see “Risk Factors — Risks Relating to Our Contractual Arrangements.”

Succession

The provisions set out in the Structured Contracts are also binding on the successors of the Registered Shareholders, as if the successors were signing parties to the Structured Contracts. Under the succession laws of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents, and the maternal grandparents, and any breach by the successors would be deemed to be a breach of the Structured Contracts. In case of a breach, Nanjing Strawbear can enforce its rights against the successors.

Conflicts of Interests

The Registered Shareholders have undertaken that, during the period that the Structured Contracts remain effective,

- (a) they shall not execute any documents with or make any undertaking to any third parties that may have conflicts of interests with any agreements entered into with Nanjing Strawbear and its designees or Jiangsu Strawbear, (b) they shall not commit or refrain from committing any act that may lead to any conflicts of interest between the Registered Shareholders and Nanjing Strawbear (including its shareholders), and (c) in the event of the occurrence of a conflict of interests (where Nanjing Strawbear has the sole absolute discretion to determine whether such conflict arises), they shall take appropriate measures upon the consent of Nanjing Strawbear and its designees to eliminate such conflicts, failing which Nanjing Strawbear has the right to exercise the option under the Exclusive Option Agreement; and
- unless otherwise agreed to by Nanjing Strawbear in writing, they will not (a) directly or indirectly participate or engage in any business which is or may potentially be in competition with the businesses of Jiangsu Strawbear or any of its subsidiaries, (b) be employed by an entity whose operation is or may potentially be in competition with the businesses of Jiangsu Strawbear or any of its subsidiaries or hold interest in or assets of such entities, save that ownership of an equity interest of up to 5% is permitted, where Nanjing Strawbear has the sole absolute discretion to determine whether such conflict arises.

Loss Sharing

Under the relevant PRC laws and regulations, none of our Company and Nanjing Strawbear is legally required to share the losses of, or provide financial support to, our Consolidated Affiliated Entities. Further, our Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. Pursuant to the Exclusive Business Cooperation Agreement, Nanjing Strawbear agrees to enjoy and bear all economic benefits and risks arising from any business of Jiangsu Strawbear during the term of the agreement. In case of any operation losses or serious business difficulties of Jiangsu Strawbear, Nanjing Strawbear shall provide

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financial support to Jiangsu Strawbear. Only Nanjing Strawbear has the right to decide whether Jiangsu Strawbear shall continue to operate, and Jiangsu Strawbear shall unconditionally acknowledge and agree with the decision of Nanjing Strawbear.

In addition, given that our Group conducts a substantial portion of its business operations in the PRC through our Consolidated Affiliated Entities, which hold the Relevant Licenses, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if our Consolidated Affiliated Entities suffer losses.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of liquidation, Jiangsu Strawbear shall sell all of its assets (after deducting the liquidation fee, employees' salary, social insurance fee, mandatory compensation fee, outstanding tax, and other debts payable by Jiangsu Strawbear) to the extent permitted by PRC laws to Nanjing Strawbear or its designees, at the lowest selling price permitted by applicable PRC laws. Any obligation for Nanjing Strawbear to pay Jiangsu Strawbear as a result of such transaction shall be waived by Jiangsu Strawbear and any profits arising from the above transaction shall be paid to Nanjing Strawbear or its designees under the Exclusive Option Agreement, as applicable under the then current PRC laws.

Insurance

Our Company do not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Company's Confirmation

As of the Latest Practicable Date, the Company had not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the foregoing, our PRC Legal Advisors are of the opinion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations, and that:

- (i) each of Jiangsu Strawbear and Nanjing Strawbear is an independent legal entity which is duly established, and their respective establishment is valid and effective and complies with the relevant PRC laws and regulations;
- (ii) parties to each of the Structured Contracts have obtained all necessary approvals and authorizations to execute and perform the Structured Contracts, and are entitled to execute the agreements and perform their respective obligations thereunder;
- (iii) none of the Structured Contracts would be deemed as "concealment of illegal intentions with a lawful form" and void under the PRC Contract Law, or violates any provisions of the articles of association of Jiangsu Strawbear or Nanjing Strawbear;

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- (iv) according to the interviews with Jiangsu Provincial Radio and Television Administration, Horgos Bureau of Culture, Sports, Radio, Television and Tourism and NRTA as disclosed below, the parties to each of the Structured Contracts are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that:
 - (a) the exercise of the option by Nanjing Strawbear of its rights under the Exclusive Option Agreement to acquire all or part of the equity interests in Jiangsu Strawbear are subject to PRC laws and regulations;
 - (b) the share pledge contemplated under the Equity Pledge Agreement shall have been registered with the local administration bureau for industry and commerce; and
 - (c) the arbitration awards/interim remedies provided under the dispute restitution provision of the Structured Contracts shall be recognized by PRC courts before compulsory enforcement; and
- (v) the Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements are valid, legally binding and enforceable under the PRC laws and regulations, except that the Structured Contracts provide that the arbitral tribunal may award remedies over the equity interests or assets of Jiangsu Strawbear, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Jiangsu Strawbear, and that courts of the PRC, Hong Kong, the Cayman Islands (being the place of incorporation of the Company) and other jurisdictions (being the places where the principal assets of Nanjing Strawbear or Jiangsu Strawbear are located) also have jurisdiction for the grant or enforcement of the arbitral award and the interim remedies against the shares or property interest of Jiangsu Strawbear. However, our PRC Legal Advisors have advised that the interim remedies or enforcement order granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. For further details, see “— Contractual Arrangements — Dispute Resolution.”

According to the Administrative Provisions on the Production and Distribution of Radio and Television Programs (《廣播電視節目製作經營管理規定》) promulgated by the SARFT on July 19, 2004, became effective on August 20, 2004 and revised on August 28, 2015, the state subjects the establishment of PRC institutions that produce and distribute radio and television programs and engage in the production and distribution of radio and television programs to a permit system. The Radio and Television Programs Production and Operation Permit shall be obtained for establishing PRC institutions that produce and distribute radio and television programs or engaged in the production and distribution of radio and television programs.

According to the Administration Measures for the Filing and Disclosure of the Production of Television Drama (《電視劇拍攝製作備案公示管理辦法》) promulgated by the SARFT on September 22, 2013 and became effective on December 1, 2013, the following institutions may apply for the filing and disclosure of the production of TV dramas: (i) PRC institutions holding the Television Drama Production Permit (Class A); (ii) PRC institutions holding the Radio and Television Programs Production and Operation Permit; (iii) TV stations of the municipal cities; (iv) PRC institutions holding the Permit for Film Production; and (v) institutions qualified for applying for the Television Drama Production Permit

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(Class B). According to the Administrative Provisions for Contents of Television Drama (《電視劇內容管理規定》) promulgated by the SARFT on May 14, 2010 which became effective on July 1, 2010, in order to distribute TV dramas, the PRC TV drama production company should submit application for the Television Drama Distribution License in the PRC.

According to the Negative List, the Relevant Businesses fall within the business sectors of radio and television program production and operating (including import business) companies (廣播電視節目製作經營(含引進業務)公司) where foreign investment is “prohibited” which prohibits foreign-invested enterprises from engaging in such business activities.

Notwithstanding the foregoing, based on the interviews conducted by our PRC Legal Advisors, the Joint Sponsors’ PRC legal advisors and the Joint Sponsors with Jiangsu Provincial Radio and Television Administration and Horgos Bureau of Culture, Sports, Radio, Television and Tourism on June 23, 2020 and July 3, 2020 and the interview conducted by the Joint Sponsors’ PRC legal advisors with NRTA on August 2, 2019, our PRC Legal Advisors have advised us that (i) all of these authorities are competent government authorities for our Company’s principal business activities, and the personnel consulted in the relevant interview are competent and authorized to interpret the relevant PRC laws and regulations for the industry in which our Company operates its business and make the relevant confirmations; (ii) foreign investors are not allowed to directly or indirectly hold any equity interest in a company carrying out TV series, web series and web films production and distribution business; (iii) the execution and performance of the Contractual Arrangements do not require any approval or authorization from the PRC government authorities under the PRC laws and regulations; and (iv) the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations.

Based on the above analysis and advice from our PRC Legal Advisors, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations, and expect for the relevant arbitration clauses as described in “— Contractual Arrangements — Dispute Resolution,” each of the Structure Contracts is enforceable under the PRC laws and regulations.

We have been advised by our PRC Legal Advisors, however, that there is substantial uncertainty regarding the interpretation and application of current and future PRC laws. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to the above opinion of our PRC Legal Advisors. We have been further advised by our PRC Legal Advisors that if the PRC government finds that the Structured Contracts do not comply with the PRC government restrictions on foreign investment in the relevant business, we could be subject to severe penalties.

We are aware of a Supreme People’s Court ruling (the “**Supreme People’s Court Ruling**”) made in October 2012 and two arbitral decisions from the Shanghai International Economic and Trade Arbitration Commission made in 2010 and 2011 which invalidated certain contractual agreements for the reason that the entry into of such agreements with the intention of circumventing foreign investment restrictions in the PRC contravene the prohibition against “concealing an illegitimate purpose under the guise of legitimate acts” set out in Article 52 of the PRC Contract Law and the General Principles of the PRC Civil Law. It has been further reported that these court rulings and arbitral decisions may increase (i) the possibility of PRC courts and/or arbitration panels taking similar actions against contractual structures commonly adopted by foreign investors to engage in restricted or prohibited businesses in the PRC and (ii) the incentive for the Registered Shareholders under such contractual structures to renege on their contractual obligations. Pursuant to Article 52 of the PRC Contract Law, a contract is void under any of

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the following five circumstances: (i) the contract is concluded through the use of fraud or coercion by one party and thereby damages the interest of the State; (ii) malicious collusion is conducted to damage the interest of the State, a collective unit or a third party; (iii) the contract damages the public interest; (iv) an illegitimate purpose is concealed under the guise of legitimate acts; or (v) the contract violates the mandatory provisions of the laws and administrative regulations.

Our PRC Legal Advisors are of the view that the Structured Contracts would not be deemed as “concealing illegal intentions with a lawful form” and void such that they also do not fall within circumstance (iv) above under Article 52 of the PRC Contract Law because the Structured Contracts were not entered into for illegitimate purposes. The purpose of the Structured Contracts are (a) to enable Jiangsu Strawbear to transfer its economic benefits to Nanjing Strawbear as service fees for engaging Nanjing Strawbear as their exclusive service provider and (b) to ensure that the Registered Shareholders do not take any actions that are contrary to the interests of Nanjing Strawbear. In accordance with Article 4 of the PRC Contract Law, which is a section of the Part One (General Principles) of the PRC Contract Law setting forth fundamental principles under the PRC Contract Law, the parties to the Structured Contracts have the right to enter into contracts in accordance with their own wishes and no person may illegally interfere with such right. In addition, the effect of the Structured Contracts, which is to allow our Company to list on the Hong Kong Stock Exchange while obtaining the economic benefits of our Consolidated Affiliated Entities, is not for an illegitimate purpose, as evidenced by the fact that a number of currently listed companies also adopt similar contractual arrangements. In conclusion, our PRC Legal Advisors are of the view that the Structured Contracts do not fall within any of the five circumstances set forth in Article 52 of the PRC Contract Law.

For further details of the compliance history of our Group, see “Business — Legal Proceedings and Compliance.”

Given that the Structured Contracts will constitute non-exempt continuing connected transactions of our Company upon the Listing, a waiver has been sought from and has been granted by the Hong Kong Stock Exchange, details of which are disclosed in the section headed “Connected Transactions” in this prospectus.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the FIL

On December 23, 2018, the 7th meeting of the 13th Standing Committee of the National People’s Congress reviewed the Draft Foreign Investment Law, which was promulgated by the National People’s Congress on its official website on December 26, 2018 for public consultation until February 24, 2019, and further submitted the second draft of the 2018 draft foreign investment law to the National People’s Congress (the “NPC”) for deliberation on January 29, 2019. On March 15, 2019, the NPC adopted the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the “**FIL**”) at the closing meeting of the second session of the 13th NPC. The FIL took effect on January 1, 2020 and replaced the Law on Chinese-Foreign Equity Joint Ventures (《中外合資經營企業法》), the Law on Chinese-Foreign Contractual Joint Ventures (《中外合作經營企業法》) and the Law on Wholly Foreign-Owned Enterprises (《外資企業法》), became the legal foundation for foreign investment in the PRC. On December 26, 2019, the State Council promulgated Regulation on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**FIL Implementing Regulation**”), which came into effect on January 1, 2020.

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Impact and Potential Consequences of the FIL on the Contractual Arrangements

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, and has been adopted by our Company in the form of the Contractual Arrangements, to establish control of the Consolidated Affiliated Entities, through which we operate our business in the PRC. The FIL does not mention concepts including “actual control,” nor does it explicitly stipulate the contractual arrangements as a form of foreign investment. Besides, it does not explicitly prohibit or restrict a foreign investor to rely on contractual arrangements to control the majority of its business that is subject to foreign investment restrictions or prohibitions in the PRC. As advised by our PRC Legal Advisors, provided that no additional laws, administrative regulations, departmental rules or other regulatory documents on contractual arrangements has been issued and enacted, the coming into effect of the FIL does not, by itself, have any material adverse operational and financial impact on the legality and validity of the Company’s Contractual Arrangements.

Furthermore, the FIL stipulates that foreign investment includes “foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council.” Although the FIL Implementing Regulation does not expressly stipulate the contractual arrangements as a form of foreign investment, there are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of the Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and Regulations. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have a material adverse effect on the trading of our Shares. Please refer to the section headed “Risk Factors — Risks Relating to Our Contractual Arrangements.”

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Under the Exclusive Business Cooperation Agreement, it was agreed that, in consideration of the services provided by Nanjing Strawbear, Jiangsu Strawbear will pay service fees to Nanjing Strawbear. The services fees, subject to the Nanjing Strawbear’s adjustment, are equal to the entirety of the total consolidated profit of Jiangsu Strawbear (net of accumulated deficit of the Consolidated Affiliated Entities in the previous financial years (if any), operating costs, expenses, taxes and other statutory contributions to be reserved or withheld). Nanjing Strawbear may adjust the service scopes and fees at its discretion in accordance with PRC tax law and practice as well as the needs of the working capital of our Consolidated Affiliated Entities. Nanjing Strawbear also has the right to periodically receive or inspect the accounts of our Consolidated Affiliated Entities. Accordingly, Nanjing Strawbear has the ability, at its sole discretion, to extract all of the economic benefit of Jiangsu Strawbear through the Exclusive Business Cooperation Agreement.

In addition, under the Exclusive Business Cooperation Agreement and the Exclusive Option Agreement, Nanjing Strawbear has absolute contractual control over the distribution of dividends or any other amounts to the equity holders of our Consolidated Affiliated Entities as Nanjing Strawbear’s prior written consent is required before any distribution can be made; provided that, upon written request of Nanjing Strawbear, Jiangsu Strawbear shall immediately distribute all distributable interests to its shareholders.

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As a result of the Contractual Arrangements, our Company has obtained control of our Consolidated Affiliated Entities through Nanjing Strawbear and, at our Company's sole discretion, can receive all of the economic interest returns generated by our Consolidated Affiliated Entities. Accordingly, our Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into our Company's financial statements.

In this regard, our Directors consider that our Company can consolidate the financial results of our Consolidated Affiliated Entities into our Group's financial information as if they were our Company's subsidiaries. The basis of consolidating the results of our Consolidated Affiliated Entities is disclosed in Note 2.1 to the Accountants' Report in Appendix I to this prospectus.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory inquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and
- our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of Nanjing Strawbear and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

In addition, notwithstanding that our executive Directors, namely Mr. Liu, Ms. Zhang and Ms. Zhai, are also the Registered Shareholders, we believe that our Directors are able to perform their roles in our Group independently and our Group is capable of managing our business independently after the Listing under the following measures:

- (i) the decision-making mechanism of our Board as set out in the Articles includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of our Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;
- (ii) each of our Directors is aware of his fiduciary duties as a Director which requires, amongst other things, that he acts for the benefits and in the best interests of our Group;

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- (iii) we have appointed three independent non-executive Directors, comprising one-third of our Board, to provide a balance of the number of interested and independent Directors with a view to promoting the interests of our Company and our Shareholders as a whole; and
- (iv) we will disclose in our announcements, circulars, annual and interim reports in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by our Board (including independent non-executive Directors) relating to any business or interest of each Director and his associates that competes or may compete with the business of our Group and any other conflicts of interest which any such person has or may have with our Group.