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Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS –
2022 TENCENT CLOUD SERVICES AGREEMENTS**

BACKGROUND INFORMATION

Reference is made to the announcement of the Company dated 2 June 2021 in relation to, among other things, the continuing connected transactions under the 2021 Tencent Cloud Services Agreement.

2022 TENCENT CLOUD SERVICES AGREEMENTS

The Board is pleased to announce that, on 1 June 2022, the Group renewed the continuing connected transactions under the 2021 Tencent Cloud Services Agreement. The 2022 Tencent Cloud Services Agreements are for a term of one (1) year commencing from 1 June 2022 and ending on 31 May 2023.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent is indirectly interested in approximately 15.24% of the total issued share capital of the Company, and it and its associates are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions under the 2022 Tencent Cloud Services Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is more than 0.1% but less than 5%, the transactions under the 2022 Tencent Cloud Services Agreements are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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2022 TENCENT CLOUD SERVICES AGREEMENTS

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The principal terms of the 2022 Tencent Cloud Services Agreements are as follows:

(A) Date:

1 June 2022

(B) Parties:

- (i) Xiamen Youli;
- (ii) Kailuo Tianxia; and
- (iii) Tencent Cloud.

(C) Term

One (1) year commencing from 1 June 2022 and ending on 31 May 2023.

(D) Subject Matter of the 2022 Tencent Cloud Services Agreements

Xiamen Youli and Kailuo Tianxia purchase and use certain Tencent cloud services provided by Tencent Cloud including system services composed of various products and services such as computing and network, cloud virtual machine, cloud database, cloud security, monitoring and management, domain name resolution service, video service, big data and artificial intelligence.

(E) Pricing Policy and Payment Term

The fee is based on the charges published on Tencent Cloud's official website (<https://cloud.tencent.com>). Xiamen Youli and Kailuo Tianxia will pay the services fees to Tencent Cloud under the "pay as you go" method or prepayment method as they wish. Under "pay as you go" method, Xiamen Youli and Kailuo Tianxia will only pay for the actual amount and duration they have used for the Tencent cloud services without any upfront fees. Under prepayment method, Xiamen Youli and Kailuo Tianxia will prepay for the products or services chosen. Xiamen Youli and Kailuo Tianxia can purchase or release resources at any time, and adjust the configuration on demand. Tencent Cloud shall provide Xiamen Youli and Kailuo Tianxia with the bill for the previous month, whereupon Xiamen Youli and Kailuo Tianxia shall confirm the bill within five (5) business days. If no confirmation or objection from Xiamen Youli or Kailuo Tianxia is received by Tencent Cloud within five (5) business days, it shall be deemed that Xiamen Youli or Kailuo Tianxia has confirmed there is no objection. If Xiamen Youli or Kailuo Tianxia has any objection, it shall be negotiated and resolved between the two parties. In case the negotiation fails, the system data of Tencent Cloud shall prevail. Tencent Cloud shall issue an invoice to Xiamen Youli and/or Kailuo Tianxia based on the amount confirmed by both parties, which in case "pay as you go" method is chosen, will be payable within the period as determined by the rules of the services chosen, and if the service rules do not specify the payment period, within ten (10) business days from the date of confirmation of the bill.

The aggregate services fees paid or to be paid by Xiamen Youli pursuant to the 2021 Tencent Cloud Services Agreement was approximately RMB3,032,000 for the period of 1 June 2021 to 31 May 2022.

The proposed Annual Cap for the period from 1 June 2022 to 31 May 2023 to be paid by Xiamen Youli and Kailuo Tianxia in total pursuant to the 2022 Tencent Cloud Services Agreements is RMB5,100,000. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Annual Cap was determined principally with reference to:

- (i) the historical transaction amounts for cloud services used by Xiamen Youli;
- (ii) the amount paid under the 2021 Tencent Cloud Services Agreement; and
- (iii) the expected cloud services requirement of the Company in respect of the launch of new games (5 games are expected to be launched and using tencent cloud services during the period of 1 June 2022 to 31 May 2023, including one of the Company's new key games named *Carrot Fantasy IV* (保衛蘿蔔4) which will be operated by Kailuo Tianxia, while there were only 3 newly launched games using Tencent cloud services during the period of 1 June 2021 to 31 May 2022).

The parties (or through their respective affiliated companies) may enter into subsequent agreements to further specify the rights and obligations between them under the 2022 Tencent Cloud Services Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 TENCENT CLOUD SERVICES AGREEMENTS

The Tencent Group is a leading provider of Internet value added services in the PRC, and offers a wide range of high-quality technological products and services. The entry into the 2022 Tencent Cloud Service Agreement allows the Group to migrate the majority of its servers and computing infrastructure to cloud services provided by Tencent Cloud. The Company believes that the procurement of high-quality technological products and services from the Tencent Group, especially cloud services provided by Tencent Cloud, will provide the Group with the necessary technologies to further develop its business, and the Company can leverage on the wide spectrum of cloud services offered by the Tencent Group to reduce unnecessary costs in reconciling and integrating its various operating systems.

The Directors (including independent non-executive Directors) are of the view that the 2022 Tencent Cloud Services Agreements and the transactions thereunder have been entered into in the ordinary and usual course of business of the Group and are on normal commercial terms or better, the terms of which are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest or was required to abstain from voting on the Board resolution approving the transaction under the 2022 Tencent Cloud Services Agreements.

INFORMATION ABOUT THE GROUP

The Company is an investment holding company whose subsidiaries are principally engaged in the operation, development, distribution of web and mobile games in Mainland China, along with games related advertisements and licensing services.

Xiamen Youli (a direct wholly owned subsidiary of Xiamen Guanghai which is accounted for as an indirect wholly owned subsidiary of the Company) is principally engaged in operation and distribution of web games, mobile games and PC games.

Kailuo Tianxia (a direct wholly owned subsidiary of Xiamen Guanghai which is accounted for as an indirect wholly owned subsidiary of the Company) is principally engaged in development and operation of mobile games.

INFORMATION ABOUT THE TENCENT GROUP

Tencent through its subsidiaries, principally provides value-added services, online advertising services, fintech and business services to users mainly in the PRC. Tencent Cloud is a consolidated affiliated entity of Tencent and provides information system integration services in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent is indirectly interested in approximately 15.24% of the total issued share capital of the Company, and it and its associates are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions under the 2022 Tencent Cloud Services Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is more than 0.1% but less than 5%, the transactions under the 2022 Tencent Cloud Services Agreements are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2021 Tencent Cloud Services Agreement”	a Tencent cloud services agreement entered into by Tencent Cloud and Xiamen Youli dated 2 June 2021 for a term of one (1) year commencing from 1 June 2021 and ending on 31 May 2022
“2022 Tencent Cloud Services Agreements”	collectively, the Tencent cloud services agreements entered into by Tencent Cloud with each of Xiamen Youli and Kailuo Tianxia both dated 1 June 2022 for a term of one (1) year commencing from 1 June 2022 and ending on 31 May 2023
“Annual Cap”	the maximum aggregate annual value projected in respect of the services received and fees payable pursuant to the continuing connected transaction under the 2022 Tencent Cloud Services Agreements
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and the PRC Operating Entities

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kailuo Tianxia”	Beijing Kailuo Tianxia Technology Co., Ltd. (北京凱羅天下科技有限公司) a limited liability company established in the PRC and a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Operating Entities”	Xiamen Guanghuan and its subsidiaries and “PRC Operating Entity” means any one of them
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of US\$0.0000001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Tencent”, together with its subsidiaries, “Tencent Group”	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 00700)
“Tencent Cloud”	Tencent Cloud Computing (Beijing) Co., Ltd.* (騰訊雲計算(北京)有限責任公司), a limited company established under the laws of the PRC and a PRC operating entity of Tencent, the financial results of which have been consolidated and accounted for by Tencent as a controlled structured entity of Tencent by virtue of a series of contractual arrangements
“Xiamen Guanghuan”	Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009, being a company which the Group does not own but can exercise and maintain control over, and to consolidate its financial results as a wholly-owned subsidiary of the Company by virtue of certain contractual arrangements

“Xiamen Youli”

Xiamen Youli Information Technology Co., Ltd. (廈門游力信息科技有限公司), a limited liability company established in the PRC and a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company

By Order of the Board
Feiyu Technology International Company Ltd.
YAO Jianjun
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 1 June 2022

As at the date of this announcement, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin, LIN Jiabin and LIN Zhibin, as executive Directors; and Ms. LIU Qianli, and Messrs. LAI Xiaoling and MA Suen Yee Andrew, as independent non-executive Directors.

* *For identification purposes only*