
CONNECTED TRANSACTION

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, any director, chief executive or substantial shareholder of our Company or any of our subsidiaries (including any person who, within 12 months preceding the [REDACTED], was a director of our Company or any of our subsidiaries), or any associate of the above persons will become a connected person of our Company upon the [REDACTED]. Upon the [REDACTED], our transactions with such connected persons will constitute connected transactions under Chapter 14A of the Listing Rules.

Our Directors confirm that the following transactions which are expected to continue after the [REDACTED] will constitute continuing connected transactions under Chapter 14A of the Listing Rules which is exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Value-added Business Promotion Agreement

Principal Terms and Pricing Policy

On 1 January 2021, our Group entered into a value-added business operation and promotion agreement with Zhejiang Yuanxing Information Technology Co., Ltd.* (浙江元幸信息科技有限公司) (“**Zhejiang Yuanxing**”) for a term of three years commencing from the [REDACTED] (the “**Value-added Business Agreement**”), pursuant to which our Group has agreed to provide marketing and promotion services for user acquisition (the “**Services**”) for certain mobile value-added services offered by mobile carriers (the “**Mobile Value-added Services**”) to Zhejiang Yuanxing, which is the agent of the mobile carriers. Under the Value-added Business Agreement, Zhejiang Yuanxing has agreed to pay 90% of the fees it receives from mobile carriers to our Group, which is determined at arm’s length negotiations between our Group and Zhejiang Yuanxing and on normal commercial terms with reference to (i) the prices of similar services; and (ii) the previous agreements in relation to the Services provided by our Group to Zhejiang Yuanxing taking into consideration that (a) our Group is responsible for providing all the marketing and promotion services stipulated under the service contracts between Zhejiang Yuanxing and the mobile carriers and Zhejiang Yuanxing mainly plays a role as an agent without substantial contribution to the provision of services and acquisition of customers; and (b) our Group bear all the cost to provide such services and the users are acquired through the services provided by us.

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Reasons for the Transactions

The Services have been provided by us in our ordinary and usual course of business, and we had been providing such Services to Zhejiang Yuanxing during the Track Record Period. Under the Value-added Business Agreement, we may generate a relatively stable income from Zhejiang Yuanxing through (i) providing the Services to acquire new clients for the mobile carriers, being the advertiser customers of Zhejiang Yuanxing; and (ii) receiving 90% of the fees that Zhejiang Yuanxing will receive from mobile carriers for the clients acquired through us under the previous agreements between our Group and Zhejiang Yuanxing, as long as those clients continue to use the Mobile Value-added Services. Although the demand for the Services from Zhejiang Yuanxing during the Track Record Period was declining and we may not devote substantial resources in providing the Services in the future, our Group is still able to generate income from Zhejiang Yuanxing for the clients acquired through us under the previous agreements between our Group and Zhejiang Yuanxing. Taking into account that the terms offered by Zhejiang Yuanxing to us are no less favourable than the terms offered by other purchasers who are Independent Third Parties and the established business relationship between us and Zhejiang Yuanxing, we will continue to cooperate with Zhejiang Yuanxing.

Historical Amounts

For each of the year ended 31 December 2019, 2020 and 2021, our total revenue attributable to the abovementioned provision of the Services to Zhejiang Yuanxing was approximately RMB1.6 million, RMB1.0 million and RMB0.7 million, respectively.

Listing Rules Implications

As at the Latest Practicable Date, one-third of the equity interest of Zhejiang Yuanxing was owned by Hangzhou Lande Youshi Venture Capital Partnership (Limited Partnership)* (杭州蘭德優勢創業投資合夥企業(有限合夥)) (“**Lande Youshi**”), whose managing partner was Hangzhou Lande Runguang Investment Management Co., Ltd.* (杭州蘭德潤廣投資管理有限公司) (“**Lande Runguang**”). Lande Youshi was owned by Hangzhou Lande Venture Investment Co., Ltd.* (浙江蘭德創業投資有限公司) (“**Lande Venture**”) as to approximately 63.8%, Lande Runguang as to approximately 0.9% and Hangzhou Lande Herun Investment Co., Ltd.* (杭州蘭德和潤投資有限公司) (“**Lande Herun**”) as to approximately 0.9% of its equity interest. As at the Latest Practicable Date, since Mr. Chen, being the chairman of the Board, an executive Director and one of the Controlling Shareholders, is the sole director of each of Lande Venture, Lande Herun and Lande Runguang, Mr. Chen has control over the board of directors of these three companies, which collectively hold approximately 65.6% shareholding in Lande Youshi. Therefore, Zhejiang Yuanxing is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Value-added Business Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon the [REDACTED].

CONNECTED TRANSACTION

It is expected that the relevant percentage ratios calculated for the aggregate annual transaction amounts under the Value-added Business Agreement for each of for the year ended 31 December 2022, 2023 and 2024 will not exceed 5% and the annual consideration will be less than HK\$3 million. Therefore, our Directors anticipate that the transaction amounts under the Value-added Business Agreement will fall within the *de minimis* threshold set forth in Rule 14A.76(1) of the Listing Rules. As such, the transactions contemplated under the Value-added Business Agreement will, upon [REDACTED], constitute a continuing connected transaction of our Company, which will be fully exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) confirm that the transactions contemplated the Value-added Business Agreement have been and will be entered into in the ordinary and usual course of business of our Group on normal commercial terms, and the terms of the Value-added Business Agreement are fair and reasonable and in the interest of our Company and our Shareholders as a whole.