

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this document. Certain other terms are explained in the section headed “Glossary” in this document.

“Accountants’ Report”	the accountants’ report from the Reporting Accountants, the text of which is set out in Appendix I to this document
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council
“Articles of Association” or “Articles” or “Memorandum of Association and Articles of Association”	our articles of association, as adopted by special resolution passed on [●] and to become effective on the [REDACTED], a summary of which is contained in Appendix III to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“BMRTB”	Beijing Municipal Radio and Television Bureau (北京市廣播電視局)
“Board” or “Board of Directors”	the board of directors of our Company
“Board Special Majority”	the approval of at least three-fourths of all of the Directors in office
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands

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“Cayman Companies Act”	the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented, or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

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“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Broker Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this document, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company” or “the Company”	Huafang Group Inc., an exempted company incorporated under the laws of Cayman Islands with limited liability on June 1, 2021
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, i.e., Huafang Technology and its subsidiaries, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
“Contractual Arrangements”	a series of contractual arrangements we entered into to allow our Company to exercise control over the business operation of the Consolidated Affiliated Entities and enjoy all the economic interests derived therefrom, as more particularly described in the section headed “Contractual Arrangements” in this document
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company or any one of them

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“Group,” “our Group,” “we” or “us”	our Company and its subsidiaries or Consolidated Affiliated Entities from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hainan Kailin”	Hainan Kailin Technology Co., Ltd. (海南凱林科技有限公司), a limited liability company incorporated under the laws of PRC on May 22, 2020, one of our Consolidated Affiliated Entities

[REDACTED]

“HK\$” and “Hong Kong cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HOLLA Group”	a group of companies operated under EXU Inc., including EXU (HK) LIMITED, Monkey, Inc., Chatwith, Inc., Oviedo Interactives Limited and Mitu Inc Limited, each of which is our subsidiary
“Holla Technology” or “Mizhi Technology”	Beijing Holla Technology Co., Ltd. (北京猴啦科技有限公司), formerly known as Beijing Mizhi Technology Co., Ltd. (北京蜜枝科技有限公司), a limited liability company incorporated under the laws of PRC on July 22, 2016 and one of our Consolidated Affiliated Entities

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“Hong Kong” the Hong Kong Special Administrative Region of the PRC

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“Huafang Technology” Beijing Huafang Technology Co., Ltd. (北京花房科技有限公司) (formerly known as Beijing 6.cn Technology Co., Ltd. (北京六間房科技有限公司)), a limited liability company incorporated under the laws of PRC on March 17, 2006, one of our Consolidated Affiliated Entities

“Huajiao No. 1” Tianjin Huajiao No. 1 Technology Limited Partnership (天津花椒壹號科技合夥企業(有限合夥)), a limited partnership incorporated in the PRC on September 13, 2016, which is ultimately controlled by Mr. Zhou, our controlling shareholder

“Huajiao No. 2” Tianjin Huajiao No. 2 Technology Limited Partnership (天津花椒貳號科技合夥企業(有限合夥)), a limited partnership incorporated in the PRC on September 13, 2016, which is ultimately controlled by Mr. Zhou, our controlling shareholder

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“Huajiao-6.cn Merger”	has the meaning given to it in the section headed “History, Reorganization and Corporate Structure” in this document
“IFRSs”	International Financial Reporting Standards
“Independent Third Party(ies)”	an individual or a company which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

“International Sanctions”	all applicable laws, regulations, and executive orders that impose economic sanctions, export controls, trade embargoes, or other prohibitions or restrictions on international trade and investment related activities, including the prohibitions and restrictions adopted, administered and enforced by a Relevant Jurisdiction
“International Sanctions Legal Adviser”	Dorsey & Whitney LLP, Dorsey & Whitney (Europe) LLP and Clayton Utz

[REDACTED]

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“Joint Sponsors” <i>(in no particular order)</i>	Haitong International Capital Limited and CCB International Capital Limited
“Latest Practicable Date”	November 5, 2022, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“MCT”	Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部)
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

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“Mijing Hefeng”	Beijing Mijing Hefeng Technology Co., Ltd. (北京密境和風科技有限公司), a limited liability company incorporated under the laws of PRC on December 24, 2014, one of our Consolidated Affiliated Entities
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Zhou”	Mr. Zhou Hongyi (周鴻禕), our chairman of the Board, non-executive Director and our controlling shareholder
“NASDAQ”	the Nasdaq Stock Market in the United States
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NRTA”	The National Radio and Television Administration (國家廣播電視總局)

[REDACTED]

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“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Advisor”	King & Wood Mallesons, being the legal advisor to the Company as to the PRC laws
“PRC Data Compliance Advisor”	Commerce & Finance Law Offices, being the data compliance advisor to the Company as to the PRC cyber security and data privacy protection laws
“[REDACTED] Share Option Scheme”	the [REDACTED] share option scheme conditionally approved and adopted by us on [●], a summary of whose principal terms is set out in “Statutory and General Information — D. [REDACTED] Share Option Scheme” in Appendix IV to this document

[REDACTED]

“Qihoo 360”	Qihoo 360 Software (Beijing) Co., Ltd. (奇虎三六零軟件(北京)有限公司), a limited liability company incorporated in the PRC on May 4, 2009, which is ultimately controlled by Mr. Zhou, our controlling shareholder
“Registered Shareholders”	the registered shareholders of Huafang Technology

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[REDACTED]

“related parties”	has the meaning as set out in the paragraph headed “Related parties” under Note 2 to the Accountants’ Report set out in Appendix I to this document
“Relevant Jurisdiction”	Australia, European Union, United Nations, United Kingdom, United States, and any other jurisdiction that has a nexus to the Company’s business operations
“Reorganization”	the corporate reorganization of our Group conducted in preparation for the [REDACTED], details of which are described in the section headed “History, Reorganization and Corporate Structure — Our Reorganization”
“RMB”	Renminbi, the lawful currency of the PRC
“Ruzuo Technology”	Beijing Ruzuo Technology Co., Ltd. (北京入座科技有限公司), a limited liability company incorporated under the laws of PRC on October 15, 2020 and one of our Consolidated Affiliated Entities
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	State Administration for Industry & Commerce of the PRC (國家工商行政管理總局), which is the predecessor of the SAMR
“SAMR”	State Administration for Market Regulation of the PRC (國家市場監督管理總局)
“SCNPC”	Standing Committee of the National People’s Congress (全國人民代表大會常務委員會)
“Sanctioned Countries”	In the case of the United States sanctions, Cuba, Iran, North Korea, Syria, the Crimean region of Ukraine, and any other country or territory that is subject to a general and comprehensive export, import, financial or investment embargo under International Sanctions. In the case of European Union, United Kingdom and Australian sanctions, countries in relation to which economic sanctions were adopted

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“Sanctioned Target”	any person or entity that is (1) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (2) that is, or is owned or controlled by, a government of a Sanctioned Country (in the case of United States sanctions); or (3) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (1) or (2)
“Sanctions Compliance Policy”	Huafang Global Sanctions Compliance and Internal Control Management Measures, as adopted by the Company on August 10, 2021
“SAT”	State Administration of Taxation of the PRC (國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	ordinary share(s) in the capital of the Company par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of Shares
“Sichuan Huayin”	Sichuan Huayin Technology Co., Ltd. (四川花音科技有限公司), a limited liability company incorporated in PRC on March 30, 2019 and one of our Consolidated Affiliated Entities
“Songcheng Performance”	Songcheng Performance Development Co., Ltd. (宋城演藝發展股份有限公司), a controlling shareholder of our Company, a company incorporated in the PRC on September 21, 1994 and listed on the Shenzhen Stock Exchange since December 9, 2010 (stock code: 300144), which is principally engaged in investment, development and operation of theme parks, tourism, and cultural performances

[REDACTED]

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[REDACTED]

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period consisting of the three years ended December 31, 2021 and the five months ended May 31, 2022

[REDACTED]

“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“VIE”	variable interest entity
“WFOE”	Chengdu Huafang Online Technology Co., Ltd. (成都花房在線科技有限公司), a limited liability company incorporated under the laws of the PRC on June 28, 2021 and an indirect wholly-owned subsidiary of the Company
“%”	per centum

Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

In this document, the terms “associate,” “close associate,” “core connected person,” “connected person,” “connected transaction,” “controlling shareholder,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.