

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities or other registered dealer, or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Feiyu Technology International Company Ltd.** (飛魚科技國際有限公司) (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities or other registered dealer, or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**MAJOR TRANSACTION – WITHDRAWAL OF LIFE INSURANCE POLICIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 3 to 8 of this circular.

A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at Meeting Room, 3/F, Block 2, No.14 Wanghai Road, Ruanjian Yuan Two, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 30 October 2020 at 3:00 p.m. is set out on pages 19 to 20 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.feiyuhk.com](http://www.feiyuhk.com)).

Whether or not you are able to attend the EGM or any adjournment thereof, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Companies Laws”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Feiyu Technology International Company Ltd. (飛魚科技國際有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Meeting Room, 3/F, Block 2, No.14 Wanghai Road, Ruanjian Yuan Two, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 30 October 2020 at 3:00 p.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	30 September 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Life Insurance Policies”, each an “Insurance Policy”	the life insurance policies taken out by the Company with Manulife on 13 August 2015 to insure certain members of the key management of the Group then
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Manulife”	the Bermuda branch of The Manufacturers Life Insurance Company
“PRC”	the People’s Republic of China which, for the purpose of this circular, does not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0000001 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surrender Charge”	a specified amount of surrender charge by Manulife in the event that the Withdrawal is made between the first and tenth policy years
“Surrender Value”	the cash value available to the policyholder on the surrender of the Life Insurance Policies
“Withdrawal”	withdrawal of the Life Insurance Policies at the request of the Company
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

*For the purpose of this circular, unless the context otherwise requires, all figures in RMB are calculated based on the approximate exchange rate of US\$1.00 to RMB6.8101 for illustration purpose.*



**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)**

*Executive Directors:*

Mr. YAO Jianjun (*Chairman and Chief Executive Officer*)

Mr. CHEN Jianyu (*President*)

Mr. BI Lin (*Vice President*)

Mr. LIN Jiabin (*Vice President*)

Mr. LIN Zhibin (*Vice President*)

*Independent non-executive Directors:*

Ms. LIU Qianli

Mr. LAI Xiaoling

Mr. MA Suen Yee Andrew

*Registered Office:*

Cricket Square, Hutchins Drive,

P.O. Box 2681,

Grand Cayman, KY1-1111,

Cayman Islands

*Headquarters in the PRC:*

Floor 2, Block 2,

No. 14 Wanghai Road,

Ruanjian Yuan Two,

Siming District,

Xiamen, Fujian Province, PRC

*Principal place of business*

*in HongKong:*

17/F, Winsan Tower, 98

Thomson Road, Wanchai,

Hong Kong

12 October 2020

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION – WITHDRAWAL OF LIFE INSURANCE POLICIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 28 August 2020 in relation to, among others, the Withdrawal.

The purpose of this circular is to provide you with (i) further information regarding the Withdrawal; (ii) other information as required under the Listing Rules and (iii) the notice of the EGM.

## LETTER FROM THE BOARD

### 2. WITHDRAWAL OF LIFE INSURANCE POLICIES

On 28 August 2020, the Board has approved and submitted the relevant forms to Manulife for the Withdrawal by the Company, as the policyholder and beneficiary, of the Life Insurance Policies at the Surrender Value (after deduction of any policy debt and Surrender Charge by Manulife), which is receivable in cash on settlement.

The Surrender Value represented the cash value of the Life Insurance Policies, which is determined by the insurance premium of each Insurance Policy plus the accumulated interest earned and minus the insurance costs (after deduction of any policy debt and Surrender Charge).

As at the Latest Practicable Date, the Surrender Value of the Life Insurance Policies amounted to an aggregate of US\$14.5 million (equivalent to approximately RMB98.5 million).

As the Withdrawal will take effect on a date to be mutually agreed between Manulife and the Company, after all surrender requirements are received in good order by the Company to Manulife, and conditional upon approval in respect of the Withdrawal from the Shareholders having been obtained, the Surrender Value may vary upon the effective date of the Withdrawal.

### 3. INFORMATION ABOUT THE LIFE INSURANCE POLICIES

On 13 August 2015, the Group entered into the Life Insurance Policies with Manulife to insure certain members of the key management of the Group as follows:

<b>Name of insured person</b>	<b>Position held in the Company</b>
Mr. YAO Jianjun	Chairman, Chief Executive Officer and executive Director
Mr. CHEN Jianyu	President and executive Director
Mr. BI Lin	Vice President and executive Director
Mr. LIN Zhibin	Vice President and executive Director
Mr. LIN Jiabin	Vice President and executive Director
Mr. SUN Zhiyan	the then executive Director and Chief Technology Officer (resigned on 10 November 2017)
Mr. CHEUNG Man Yu	the then Chief Financial Officer (resigned on 27 September 2018)

## LETTER FROM THE BOARD

Under these policies, the Company is the beneficiary and policyholder. The Company has paid out the total insurance premium with an aggregate amount of approximately US\$14.5 million (equivalent to approximately RMB89.0 million as at the inception date) at the inception of the insurance. The Company can terminate the policies at any time and receive amounts based on the Surrender Value. In addition, if the withdrawal is made between the first and tenth policy years, there is a Surrender Charge by Manulife.

Manulife declared a guaranteed interest of 3.9% per annum plus a premium determined by it on the outstanding Surrender Value of the contract for the first three years. Commencing from the fourth year, the guaranteed interest rate has been reduced to 2% per annum.

There has been no interest income recognised in the consolidated statement of profit or loss of the Group before the Company terminates the Life Insurance Policies. The investment in Life Insurance Policies had been accounted for as debt investment at fair value through profit or loss in the Company's audited consolidated financial statement for the year ended 31 December 2019 and the accumulated interests earned were reflected in the changes in fair value of the Life Insurance Policies.

Details of the Life Insurance Policies from the audited consolidated financial statements of the Group for the two financial years ended 31 December 2018 and 2019 are presented as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2019</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Gain on fair value changes recognised in consolidated statement of profit or loss	6,960	4,154
	<b>As at 31 December</b>	
	<b>2018</b>	<b>2019</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Fair Value	94,823	98,977

As at the Latest Practicable Date, the unaudited fair value of the Life Insurance Policies was approximately RMB98.5 million.

## LETTER FROM THE BOARD

### 4. INFORMATION ABOUT THE GROUP

The principal activity of the Group is the development and operation of mobile games, web games and personal computer games, with a strategic focus on mobile games.

### 5. INFORMATION ABOUT MANULIFE

Manulife, a company incorporated in Canada with limited liability, is a wholly-owned subsidiary of Manulife Financial Corporation, a company listed on the Stock Exchange (Stock Code: 945), and is a financial services company that offers a diverse range of financial protection products and wealth management services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Manulife and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### 6. REASONS AND BENEFITS OF THE WITHDRAWAL

Taking into account that (i) certain insured persons under the Life Insurance Policies, namely, Mr. SUN Zhiyan, who was an executive Director and Chief Technology Officer of the Company, and Mr. CHEUNG Man Yu, who was the Chief Financial Officer of the Company, resigned on 10 November 2017 and 27 September 2018 respectively, and since then they are no longer key management of the Group; and (ii) the Life Insurance Policies are nearly breakeven, after due and careful consideration by the Board, it is considered that the Company shall maintain a higher cash balance for general working capital under the economic downturn in the PRC induced by the COVID-19.

Therefore, the Directors consider that the Withdrawal provides the Group with a good opportunity to generate cash inflow to the Group for its general working capital and/or for other investment opportunities.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Withdrawal are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

### 7. FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE WITHDRAWAL

For illustrating the effect of the Withdrawal on the earnings, assets and liabilities of the Company, based on the Surrender Value as at the Latest Practicable Date of US\$14.5 million (equivalent to approximately RMB98.5 million), the Group currently expects to realise an investment income of approximately US\$274,000 from the Withdrawal before deduction of transaction costs and taxation which will affect the assets and profit of the Group for the year ending 31 December 2020. The investment income equals to the excess of the Surrender Value of approximately US\$14.5 million as at the Latest Practicable Date, over the fair value of approximately US\$14.2 million of the Life Insurance Policies as at 31 December 2019. As it is intended that the net proceeds will be partially used for repayment of the bank loan which was secured by the Life Insurance Policies as a financial leverage for the Life Insurance Policies, it is also expected that the liabilities of the Group for the year ending 31 December 2020 will decrease by approximately HKD67.7 million (equivalent to approximately RMB60.6 million) following the Withdrawal and the repayment of the bank loan.



## LETTER FROM THE BOARD

It should be noted that the actual gain or loss on the Withdrawal to be recognised by the Group will depend on the Surrender Value as at the effective date of the Withdrawal and subject to final audit to be performed by the auditors of the Company.

It is expected that the net proceeds of approximately USD14.5 million (equivalent to approximately RMB98.5 million) from the Withdrawal will be used for general working capital, repayment of the bank loan which was secured by the Life Insurance Policies as a financial leverage for the Life Insurance Policies and for new investment when opportunities arise.

### 8. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) exceeds 25% but is less than 75%, the Withdrawal constituted a major transaction of the Company and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board is aware that the Surrender Value could vary upon the effective date of the Withdrawal. Therefore, the actual applicable percentage ratios in respect of the Withdrawal could vary based on the Surrender Value at the effective date of the Withdrawal. The Company will ensure that the highest applicable percentage ratio in respect of the Withdrawal at the effective date is less than 75%, otherwise the Company will seek necessary further approval from the Shareholders in accordance with the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of any resolution for the approval of the Withdrawal at the EGM.

### 9. EGM

The notice of the EGM is set out on pages 19 to 20 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the general meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.feiyuhk.com](http://www.feiyuhk.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and the completed form of proxy must be returned to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you

## LETTER FROM THE BOARD

from attending and voting at the EGM or any adjournment thereof in person if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### 10. CLOSURE OF REGISTER OF MEMBERS

For determining qualification of members to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 27 October 2020 to Friday, 30 October 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualify as members to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 October 2020.

### 11. RESPONSIBILITY STATEMENT

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

### 12. RECOMMENDATION

The Directors (including all of the independent non-executive Directors) consider that the terms of the Withdrawal are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Withdrawal.

### 13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Feiyu Technology International Company Ltd.**  
**YAO Jianjun**  
*Chairman, Chief Executive Officer and  
Executive Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.feiyuhk.com](http://www.feiyuhk.com)).

- Annual report of the Company for the year ended 31 December 2017 published on 23 April 2018 (pages 104 to 175)  
  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0423/ltn20180423636.pdf>)
- Annual report of the Company for the year ended 31 December 2018 published on 18 April 2019 (pages 119 to 199)  
  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0418/ltn20190418693.pdf>)
- Annual report of the Company for the year ended 31 December 2019 published on 20 April 2020 (pages 118 to 199)  
  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0420/2020042000203.pdf>)

## 2. INDEBTEDNESS

The following table sets forth a breakdown of the indebtedness of the Group as at the close of business on 31 August 2020, being the latest practicable date for the purpose of this statement of indebtedness:-

	As at 31 August 2020 RMB'000
Bank borrowings <sup>(Note a)</sup>	128,755
Lease liabilities <sup>(Note b)</sup>	7,883

Notes:-

- (a) As at 31 August 2020, the Group's had aggregate bank loans of approximately RMB128.8 million, of which approximately RMB70.9 million is payable within 1 year, approximately RMB47.5 million is payable after 1 year but within 5 years and approximately RMB10.4 million is payable after 5 years. The Group's bank loans included (i) a time loan of approximately HKD68.8 million, which was secured by the Company's investment in the Life Insurance Policies; and (ii) a secured bank loan of approximately RMB67.9 million, which was secured by the land use right of a land and the construction-in-progress on the land.
- (b) As at 31 August 2020, the Group had lease liabilities of approximately RMB7.9 million, which are to be repaid based on the agreed repayment schedule ranging from 1 to 5 years as set out in the agreements.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 31 August 2020, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other contingent liabilities.

### **3. SUFFICIENCY OF WORKING CAPITAL**

After taking into account the present financial resources and the borrowings, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least twelve months from the date of this circular.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited accounts of the Company were made up.

### **5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The principal activity of the Group is the development and operation of mobile games, web games and personal computer games, with a strategic focus on mobile games.

The coronavirus ("COVID-19") pandemic, which erupted in January 2020, has brought mixed results for China's online game industry. On the one hand, due to China's national lockdown policy following the 2020 Chinese New Year, people chose to spend more time playing online games than usual. However, on the other hand, the lockdown also slowed down the pace of new game development and launch, so the launch of some of the Company's new games has been delayed. Entering the second half of 2020, the COVID-19 infections in Mainland China have in general been under control and the economic and social activities have mostly returned to normal levels, which have removed a major hurdle for the Company's normal business operations.

Going forward, although China's online game industry still faces challenges including the intensified competition, increasing customer acquisition cost and regulatory policies on total quantity of new game approvals, the Company is uniquely positioned to continue to grow its business through crafting hit titles leveraging its proprietary IPs. And to further strengthen the Company's competitiveness, the Company is expected to keep investing in research & development (R&D) to develop quality games which are attractive to players and continue its efforts to get access to larger consumer population to which its games are exposed.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

Save as disclosed below, as at the Latest Practicable Date, no Directors and chief executives of the Company had or was deemed to have interests and short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in Shares

Name of Director/ chief executive	Capacity	Number of ordinary shares held (long position)	Approximate percentage of shareholding <sup>7</sup> %
YAO Jianjun	Founder of a Discretionary Trust Interest of Controlled Corporation and Beneficial owner <sup>1 and 2</sup>	489,884,500	31.67
CHEN Jianyu	Founder of a Discretionary Trust Interest of Controlled Corporation <sup>1 and 3</sup>	161,538,000	10.44
BI Lin	Founder of a Discretionary Trust Interest of Controlled Corporation <sup>1 and 4</sup>	112,470,000	7.27

Name of Director/ chief executive	Capacity	Number of ordinary shares held (long position)	Approximate percentage of shareholding <sup>7</sup> %
LIN Jiabin	Founder of a Discretionary Trust Interest of Controlled Corporation <sup>1 and 5</sup>	44,890,500	2.90
LIN Zhibin	Founder of a Discretionary Trust Interest of Controlled Corporation <sup>1 and 6</sup>	44,890,500	2.90

*Notes:*

- 1 TMF (Cayman) Ltd. is the trustee of The Yao Family Trust, The Bi Family Trust, The Chen Family Trust, The Lin Family Trust and The Zhi Family Trust.
- 2 These interests represented:
  - (a) 8,485,500 Shares held directly by Mr. YAO; and
  - (b) 481,399,000 Shares held by YAO Holdings Limited. The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 shares held by YAO Holdings Limited pursuant to Part XV of the SFO.
- 3 The entire share capital of Fishchen Holdings Limited is wholly owned by Honour Gate Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Chen Family Trust, which was established by Mr. CHEN Jianyu (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. CHEN and his family members. Mr. CHEN (as founder of The Chen Family Trust) and Honour Gate Limited are taken to be interested in 161,538,000 Shares held by Fishchen Holdings Limited pursuant to Part XV of the SFO.
- 4 The entire share capital of BILIN Holdings Limited is wholly owned by Rayoon Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Bi Family Trust, which was established by Mr. BI Lin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. BI and his family members. Mr. BI (as founder of The Bi Family Trust) and Rayoon Limited are taken to be interested in 112,470,000 Shares held by BILIN Holdings Limited pursuant to Part XV of the SFO.
- 5 The entire share capital of LINT Holdings Limited is wholly owned by Supreme Top Global Limited, as the nominee of TMF (Cayman) Ltd., the trustee of The Lin Family Trust, which was established by Mr. LIN Jiabin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. LIN Jiabin and his family members. Mr. LIN Jiabin (as founder of The Lin Family Trust) and Supreme Top Global Limited are taken to be interested in 44,890,500 Shares held by LINT Holdings Limited pursuant to Part XV of the SFO.
- 6 The entire share capital of LINCEN Holdings Limited is wholly owned by Sheen Field Limited, as the nominee of TMF (Cayman) Ltd., the trustee of The Zhi Family Trust, which was established by Mr. LIN Zhibin on 13 August 2014 as a discretionary trust for the benefit of Mr. LIN and his family members. Mr. LIN (as founder of The Zhi Family Trust) and Sheen Field Limited are taken to be interested in 44,890,500 Shares held by LINCEN Holdings Limited pursuant to Part XV of the SFO.
- 7 The percentage is calculated on the basis of 1,546,943,455 Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had or was deemed to have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Substantial Shareholders' and Other Persons' Interest in Shares and Underlying Shares**

Save as disclosed below, as at the Latest Practicable Date no other persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest or short position, in the Shares and underlying Shares of the Company who would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

**Long positions in Shares**

Name of Shareholder	Capacity	Number of ordinary shares held (long position)	Approximate percentage of shareholding <sup>8</sup> %
TMF (Cayman) Ltd. <sup>1</sup>	Trustee of the family trusts	1,001,257,955	64.72
YAO Holdings Limited <sup>2</sup>	Beneficial owner	481,399,000	31.12
Jolly Spring International Limited <sup>2</sup>	Interest in a controlled corporation	481,399,000	31.12
Mr. YAO Jianjun <sup>3</sup>	Founder of a discretionary trust Interest in a controlled corporation and Beneficial owner	489,884,500	31.67
Fishchen Holdings Limited <sup>4</sup>	Beneficial owner	161,538,000	10.44
Honour Gate Limited <sup>4</sup>	Interest in a controlled corporation	161,538,000	10.44
Mr. CHEN Jianyu <sup>4</sup>	Founder of a discretionary trust Interest in a controlled corporation	161,538,000	10.44
BILIN Holdings Limited <sup>5</sup>	Beneficial owner	112,470,000	7.27

Name of Shareholder	Capacity	Number of ordinary shares held (long position)	Approximate percentage of shareholding <sup>8</sup> %
Rayoon Limited <sup>5</sup>	Interest in a controlled corporation	112,470,000	7.27
Mr. BI Lin <sup>5</sup>	Founder of a discretionary trust Interest in a controlled corporation	112,470,000	7.27
Eastep Holdings Limited <sup>6</sup>	Beneficial owner	145,765,000	9.42
Ace Kingdom Limited <sup>6</sup>	Interest in a controlled corporation	145,765,000	9.42
Mr. SUN Zhiyan <sup>7</sup>	Founder of a discretionary trust Interest in a controlled corporation and Beneficial owner	150,765,000	9.75

## Notes:

- 1 TMF (Cayman) Ltd. is the trustee of The Yao Family Trust, The Bi Family Trust, The Chen Family Trust, The Sun Family Trust, The Lin Family Trust, The Zhi Family Trust and The Dong Family Trust, seven trusts in total.
- 2 The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 Shares held by YAO Holdings Limited pursuant to Part XV of the SFO.
- 3 These interests represented:
  - (a) 8,485,500 Shares held directly by Mr. YAO; and
  - (b) 481,399,000 Shares held by YAO Holdings Limited. The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 shares held by YAO Holdings Limited pursuant to Part XV of the SFO.
- 4 The entire share capital of Fishchen Holdings Limited is wholly owned by Honour Gate Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Chen Family Trust, which was established by Mr. CHEN Jianyu (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. CHEN and his family members. Mr. CHEN (as founder of The Chen Family Trust) and Honour Gate Limited are taken to be interested in 161,538,000 Shares held by Fishchen Holdings Limited pursuant to Part XV of the SFO.



- 5 The entire share capital of BILIN Holdings Limited is wholly owned by Rayoon Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Bi Family Trust, which was established by Mr. BI Lin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. BI and his family members. Mr. BI (as founder of The Bi Family Trust) and Rayoon Limited are taken to be interested in 112,470,000 Shares held by BILIN Holdings Limited pursuant to Part XV of the SFO.
- 6 The entire share capital of Eastep Holdings Limited is wholly owned by Ace Kingdom Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Sun Family Trust, which was established by Mr. SUN Zhiyan (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. SUN and his family members. Mr. SUN (as founder of The Sun Family Trust) and Ace Kingdom Limited are taken to be interested in 145,765,000 Shares held by Eastep Holdings Limited pursuant to Part XV of the SFO.
- 7 These interests represented:
  - (a) 5,000,000 Shares held directly by Mr. SUN Zhiyan; and
  - (b) 145,765,000 Shares held by Eastep Holdings Limited. The entire share capital of Eastep Holdings Limited is wholly owned by Ace Kingdom Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Sun Family Trust, which was established by Mr. SUN Zhiyan (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. SUN and his family members. Mr. SUN (as founder of The Sun Family Trust) and Ace Kingdom Limited are taken to be interested in 145,765,000 Shares held by Eastep Holdings Limited pursuant to Part XV of the SFO.
- 8 The percentage is calculated on the basis of 1,546,943,455 Shares in issue as at the Latest Practicable Date.

### 3. COMPETING BUSINESS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or any of their respective associates had any business or interest that competes or may compete with the business of the Group or any other conflicts of interest which any such person has or may have with the Group.

### 4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

- (i) An investment agreement dated 22 June 2020 was entered into between Beijing Kailuo Tianxia Technology Co., Ltd (北京凱羅天下科技有限公司) ("**Kailuo Tianxia**") (an indirect whollyowned subsidiary of the Company) and Xiamen Relian Tianxia Technology Co., Ltd. (廈門熱戀天下科技有限公司) ("**Xiamen Relian**"), a company held as to 9% equity interest by Mr. CHEN Jianyu, an executive Director, for the investment of RMB10.0 million into Xiamen Relian by Kailuo Tianxia, as a result of which the Company would hold 10% equity interest in Xiamen Relian.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2019 (being the date to which the latest published annual report for the audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and

- (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

## 5. DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company to renew the Director's appointment for a term of three years commencing from 17 November 2017 unless terminated by either party giving not less than three months' notice in writing to the other.

Each of the independent non-executive Directors has entered into a letter of renewal of appointment with the Company for a term of three years commencing from 17 November 2017 unless terminated by either party giving not less than three months' notice in writing to the other.

As at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Group which were not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 6. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) the share purchase agreement dated 31 January 2019 entered into between (i) Xiamen Youli as seller; and (ii) XD and Xiamen Geecap Equity Investment Co., Ltd. (廈門吉相股權投資有限公司) as purchasers, in relation to the disposal of the entire equity interest held by Xiamen Youli in Ewan (being 4.34% equity interest in Ewan) at the total cash consideration of RMB108,500,000;
- (b) the termination agreement dated 21 February 2019 entered into between (i) Xiamen Youli and (ii) Meitu Network, in relation to the termination of cooperation under the exclusive licensing agreement which was dated 21 March 2018, in relation to, among others, the operation, development and management of certain game businesses;
- (c) the share purchase agreement dated 2 April 2019 entered into among (i) Star Winner Asia Corporation, a BVI business company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company, as purchaser; (ii) YAO Holdings Limited, Longling Capital Ltd, Advance Access International Limited and Billion Champion Enterprises Corporation as the vendors (collectively referred to as the "**Vendors**"); and (iii) Mr. YAO Jianjun, Mr. CAI Wensheng, Mr. LI Weiping and Ms. ZHOU Chunlan as the warrantors (collectively referred to as the "**Warrantors**"), in

relation to the acquisition of the entire issued share capital of Sharelink Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability; and

- (d) the termination deed dated 12 July 2019 entered into among (i) Star Winner Asia Corporation; (ii) the Vendors; and (iii) the Warrantors, in relation to the termination of acquisition under the share purchase agreement as mentioned in item (c) above.

## **7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

## **8. EXPERT AND CONSENT**

The following is the qualification of the expert who has given its advice and recommendation which is contained in this circular:

Nil

## **9. MISCELLANEOUS**

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;
- (b) The branch share registrar of the Company in Hong Kong is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (c) The joint secretaries of the Company are Ms. LUI Mei Ka, a member of the Hong Kong Institute of Certified Public Accountants; and Ms. WEI Yulan, a member of the Association of Chartered Certified Accountants; and
- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on a business day in Hong Kong at the principal place of business of the Company in Hong Kong at 17/F, Winsan Tower, 98 Thomson Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;

- (b) the annual report of the Company for the years ended 31 December 2018 and 2019 respectively;
- (c) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix; and
- (d) this circular.

## NOTICE OF EXTRAORDINARY GENERAL MEETING



### 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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of Feiyu Technology International Company Ltd. (the “**Company**”) will be held at Meeting Room, 3/F, Block 2, NO.14 Wanghai Road, Ruanjian Yuan Two, Siming District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 30 October 2020 at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company. Capitalised terms defined in the circular dated 12 October 2020 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

### Ordinary Resolution

“**THAT:-**

- (a) the withdrawal of the life insurance policies taken out by the Company with Manulife subject to the terms and conditions set out in the Circular be and are hereby approved; and
- (b) any one of the Directors be and is hereby authorised to do all such acts and things and sign, agree, ratify, execute, perfect or deliver all such documents or instrument under hand (or where required, under the common seal of the Company together with another director or any person authorised by the Board) and take all such steps as the director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with paragraph (a) of this resolution.”

By Order of the Board

**Feiyu Technology International Company Ltd.**

**Yao Jianjun**

*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 12 October 2020

*Registered Office:*  
Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman, KY1-1111,  
Cayman Islands

*Headquarters in the PRC:*  
Floor 2, Block 2,  
No. 14 Wanghai Road,  
Ruanjian Yuan Two,  
Siming District, Xiamen,  
Fujian Province, the PRC

*Principal place of  
business in Hong Kong:*  
17/F, Winsan Tower, 98  
Thomson Road, Wanchai,  
Hong Kong

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Notes:*

1. All resolutions (except for procedural and administrative matters) at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining qualification of members to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 27 October 2020 to Friday, 30 October 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualify as members to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 October 2020.

*As at the date of this notice, the board of Directors 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.*