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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 stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in YEAHKA LIMITED, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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移卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9923)

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out from pages 7 to 23 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on page 24 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Acquisition is set out from pages 25 to 36 of this circular.

A notice convening the EGM to be held at 19/F A4 Building, Kexing Science Park, 15 Keyuan Road, Nanshan District, Shenzhen, China on Monday, February 22, 2021 at 10:30 a.m. is set out from pages 59 to 61 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed together with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's 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 of the EGM (i.e. not later than 10:30 a.m. (Hong Kong time) on Saturday, February 20, 2021) or any adjournment thereof (as the case may be). 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 should you so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.yeahka.com).

PRECAUTIONARY MEASURES FOR THE EGM

Please see page i of this circular for precautionary measures being taken to prevent and control the spread of the coronavirus disease 2019 ("COVID-19") at the EGM, including without limitation:

- compulsory body temperature checks;
- compulsory wearing of surgical face masks (every attendee is to bring his/her own mask);
- no refreshment will be served; and
- no souvenirs will be distributed.

Any person who does not comply with the above precautionary measures may be denied entry into the EGM venue. The Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the EGM at all times, and reminds the Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 epidemic and the recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect the Shareholders, staff and other stakeholders who attend the EGM from the risk of infection:

- (i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry into the EGM venue or be required to leave the EGM venue;
- (ii) the Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the EGM at all times, and to maintain a safe distance between seats. Every attendee is to bring his/her own mask;
- (iii) no refreshment will be served at the EGM;
- (iv) no souvenirs will be distributed at the EGM; and
- (v) no guest will be allowed to enter the EGM venue if he/she is wearing quarantine wristband issued by the government of Hong Kong.

Any person who does not comply with above requirements may be denied entry into the EGM venue or be required to leave the EGM venue. To the extent permitted by law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of other attendees at the EGM. In our case, denied entry to the EGM venue also means that person will not be allowed to attend the EGM.

In the interest of all stakeholders' health and safety and in accordance with the recent guidelines for prevention and control of the spread of the COVID-19, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, the Shareholders may complete the proxy forms and appoint the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM instead of attending the EGM in person.

The proxy forms were despatched to the Shareholders together with this circular, and can otherwise be downloaded from the websites of the Company at www.yeahka.com or Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If you have any questions relating to the EGM, please contact the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, via the following:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone: +852 2862 8555
Fax: +852 2865 0990
Website: www.computershare.com/hk/contact

Subject to the development of the COVID-19, the Company may implement further precautionary measures and may issue further announcements on such measures as appropriate.

CONTENTS

	<i>Page</i>
Precautionary Measures for the EGM	i
Definitions	1
Letter from the Board	7
Letter from the Independent Board Committee	24
Letter from Gram Capital	25
Appendix I — Valuation Report	37
Appendix II — General Information	53
Notice of Extraordinary General Meeting	59

Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

DEFINITIONS

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

“Acquisition”	the purchase of the Sale Shares by the Company in accordance with the terms of the Share Purchase Agreement
“Affiliate(s)”	an Affiliate of a specified person shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
“Beijing Chuangxinzhong”	Beijing Chuangxinzhong Technology Co., Ltd. (北京創信眾科技有限公司), a limited company established in the PRC on March 12, 2018 and an indirect non-wholly owned subsidiary of the Company
“Better One”	Better One Limited, a limited liability company incorporated in the BVI which is wholly-owned by Mr. Pei Xiao
“Board”	the board of Directors
“Bright Usening”	Bright Usening Limited, a limited liability company incorporated in the BVI which is wholly-owned by Mr. Zhang Guoxian
“BVI”	British Virgin Islands
“Cash Amount”	the amount of RMB15,000,000 as part of the Consideration for the Sale Shares
“Chuangxinzhong HK”	a limited liability company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Target Company
“Company”	YEAHKA LIMITED, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition
“Consideration”	the total consideration for the Acquisition in the sum of RMB170,000,000
“Consideration Shares”	4,902,718 Shares to be issued by the Company to the Vendors as part of the Consideration for the Sale Shares

DEFINITIONS

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 19/F A4 Building, Kexing Science Park, 15 Keyuan Road, Nanshan District, Shenzhen, China on Monday, February 22, 2021 at 10:30 a.m., to consider and, if thought fit, to approve the resolution in respect of the Share Purchase Agreement and the transactions contemplated thereunder, and the grant of the specific mandate for the allotment and issue of the Consideration Shares, or any adjournment thereof
“Equity Transfer Agreement”	the equity transfer agreement dated November 9, 2020 entered into among Yeahka Technology, Beijing Chuangxinzhong, Tianjin Chuangxinzhong, Tianjin Pinghe, the Founders and Ningbo Heyuan Enterprise Management Consulting Partnership (Limited Partnership) (寧波闖遠企業管理諮詢合夥企業(有限合夥)) relating to the Previous Acquisition
“First Performance Undertaking Period”	from December 1, 2020 to November 30, 2021
“Founders”	Mr. Qin Lingjin, Mr. Zhang Guoxian, Mr. Pei Xiao and Mr. Zhan Yang
“Group”	the Company and its subsidiaries
“Guaranteed Profits”	The target Net Profits for the Performance Undertaking Periods guaranteed by the Target Group
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company (comprising all the independent non-executive Directors) established to advise the Independent Shareholders as to whether the terms of the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole

DEFINITIONS

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, which has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those who have a material interest in the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, is/are third party(ies) independent of and not connected persons of the Company
“Issue Price”	the issue price of HK\$37.50 per Consideration Share
“Last Trading Day”	December 24, 2020, being the last trading day of the Shares immediately before entering into the Share Purchase Agreement
“Latest Practicable Date”	January 26, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Profit”	audited consolidated net profit after tax of the Target Group for the relevant Performance Undertaking Period on a PRC GAAP basis
“Nice Globe”	Nice Globe Limited, a limited liability company incorporated in the BVI which is wholly-owned by Mr. Zhan Yang
“Performance Undertaking Periods”	the First Performance Undertaking Period, the Second Performance Undertaking Period and the Third Performance Undertaking Period

DEFINITIONS

“PRC”	the People’s Republic of China
“PRC GAAP”	the People’s Republic of China Generally Accepted Accounting Principles
“Restructuring”	the restructuring of the Target Company pursuant to the Share Purchase Agreement, after which Chuangxinzhong HK will hold 42.5% equity interest of Beijing Chuangxinzhong
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAFE Registration”	the foreign exchange registration with SAFE or any handling banks designated by SAFE under the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round-tripping by Chinese Residents through Special Purpose Vehicles
“Sale Shares”	the 50,000 issued ordinary share of the Target Company holding by the Vendors, representing 100% of the total issued share capital of the Target Company as of Completion
“Second Performance Undertaking Period”	from December 1, 2021 to November 30, 2022
“Service Commitment”	except in the event of force majeure or the employment with any Founder is unilaterally terminated by the Target Group with the consent of Yeahka Technology due to no fault of the relevant Founder, the Founders shall continue to perform core management roles in the Target Group for five (5) years following the Completion (unless Yeahka Technology designates them to non-core management positions) and shall not carry on any business which is competing with the Target Group’s business during his/her employment and within two (2) years after the end of his/her employment
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Shareholders’ Agreement”	the shareholders’ agreement dated November 9, 2020 with respect to Beijing Chuangxinzhong entered into among Yeahka Technology, Beijing Chuangxinzhong, Tianjin Chuangxinzhong, Xu Ming Cheng Yuan and the Founders
“Shares”	the shares of the Company
“Share Purchase Agreement”	the share purchase agreement dated December 24, 2020 entered into among the Company as the purchaser, the Vendors, the Founders and the Target Company relating to the Acquisition
“Source Winner”	Source Winner Limited, a limited liability company incorporated in the BVI which is wholly-owned by Mr. Qin Lingjin
“Specific Mandate”	a specific mandate to allot and issue the Consideration Shares to be sought from the Independent Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Summer.A”	Summer.A Limited, a limited liability company incorporated in the BVI which is wholly-owned by Mr. Wang Zhongliang
“Target Company”	CHUANGXINZHONG LTD, a limited liability company incorporated in the BVI
“Target Group”	the Target Company, Chuangxinzhong HK, Beijing Chuangxinzhong, Tianjin Chuangxinzhong and their respective direct and indirect subsidiaries as at the date of the Share Purchase Agreement
“Third Performance Undertaking Period”	from December 1, 2022 to November 30, 2023
“Tianjin Chuangxinzhong”	Tianjin Chuangxinzhong Technology Co., Ltd. (天津創信眾科技有限公司), a limited company established in the PRC on April 26, 2020, an indirect non-wholly owned subsidiary of the Target Company
“Tianjin Pinghe”	Tianjin Pinghe Management Consulting Partnership (Limited Partnership) (天津平合管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on October 13, 2020

DEFINITIONS

“Vendors”	Source Winner, Bright Usening, Better One, Nine Global and Summer.A
“Warrantors”	the Founders and the Vendors
“Warrantors’ Warranties”	the representations and warranties given by the Warrantors to the Company pursuant to the Share Purchase Agreement
“Xu Ming Cheng Yuan”	Tianjin Xu Ming Cheng Yuan Internet Technology Partnership (Limited Partnership) (天津旭鳴城垣網絡科技合夥企業(有限合夥)), a limited partnership established in the PRC on October 13, 2020, whose interest is owned as to 58.18% by Mr. Qin Lingjin, as to 19.98% by Mr. Zhang Guoxian, as to 7.90% by Mr. Pei Xiao, as to 4.76% by Mr. Zhan Yang and as to 9.18% by Mr. Wang Zhongliang, respectively. Mr. Zhan Yang acts as the general partner of Xu Ming Cheng Yuan
“Yeahka Technology”	Yeahka Technology Limited, a limited company incorporated under the laws of Hong Kong on October 7, 2011 and an indirect wholly-owned subsidiary of the Company
“%”	per cent

In this circular, the terms “associate”, “close associate”, “connected person”, “percentage ratio”, “subsidiary” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

LETTER FROM THE BOARD

Yeahka 移卡

YEAHKA LIMITED

移卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9923)

Executive Directors:

Mr. Liu Yingqi (*Chairman and Chief Executive Officer*)

Ms. Zhou Lingli

Mr. Yao Zhijian

Mr. Luo Xiaohui

Non-executive Directors:

Mr. Mathias Nicolaus Schilling

Mr. Akio Tanaka

Independent non-executive Directors:

Mr. Tam Bing Chung Benson

Mr. Yao Wei

Mr. Yang Tao

Registered Office:

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

Headquarters:

19/F A4 Building

Kexing Science Park

15 Keyuan Road, Nanshan District

Shenzhen, China

Principal Place of Business

in Hong Kong:

40/F., Sunlight Tower

No. 248 Queen's Road East

Wanchai

Hong Kong

January 29, 2021

To the Shareholders

Dear Sir/Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

References are made to the announcement of the Company dated November 9, 2020 and the supplemental announcement of the Company dated November 30, 2020 in relation to the acquisition (the “**Previous Acquisition**”) of 42.5% equity interest in Beijing Chuangxinzhong (the “**Announcements**”), and the announcement of the Company dated December 24, 2020 and the clarification announcement of the Company dated December 28, 2020 in relation to, among other things, the Share Purchase Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with (i) further information on the Acquisition and the issue of the Consideration Shares under the Share Purchase Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (iv) a notice convening the EGM.

2. THE SHARE PURCHASE AGREEMENT

On December 24, 2020 (after trading hours), the Company as the purchaser, the Vendors, the Founders and the Target Company entered into the Share Purchase Agreement, pursuant to which the Company has agreed to purchase, and the Vendors have agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of RMB170,000,000.

The principal terms of the Share Purchase Agreement are summarized below:

Date

December 24, 2020 (after trading hours)

Parties

- (1) the Company;
- (2) the Vendors;
- (3) the Founders; and
- (4) the Target Company.

After the Restructuring, Chuangxinzhong HK will hold 42.5% equity interest in Beijing Chuangxinzhong. Chuangxinzhong HK is a wholly-owned subsidiary of the Target Company, which in turn is owned as to approximately 58.2% by Source Winner. Source Winner is wholly owned by Mr. Qin Lingjin, who is a director of Beijing Chuangxinzhong. Bright Usening is wholly-owned by Mr. Zhang Guoxian, who is the chief executive of Beijing Chuangxinzhong. By virtue of their interests in Beijing Chuangxinzhong, each of Chuangxinzhong HK, the Target Company, Source Winner, Bright Usening, Mr. Qin Lingjin and Mr. Zhang Guoxian is a connected person of the Company at the subsidiary level according to Rules 14A.07(1) and 14A.07(4) of the Listing Rules. Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other Vendors and the Founders and their respective ultimate beneficial owners, if applicable, are Independent Third Parties.

Subject Matter

Pursuant to the Share Purchase Agreement, the Company has agreed to purchase, and the Vendors have agreed to sell, the Sale Shares subject to the fulfillment of the conditions precedent and the relevant terms and conditions set out in the Share Purchase Agreement.

LETTER FROM THE BOARD

Consideration and Payment Terms

The Consideration for the Sale Shares is RMB170,000,000, which shall be settled partially by (i) payment of the Cash Amount and (ii) the allotment and issue of 4,902,718 Consideration Shares by the Company to the Vendors at the Issue Price of HK\$37.50 per Consideration Share.

After the completion of the Restructuring, the Vendors shall give a written notice to the Company requesting the payment of the Cash Amount and the Company shall pay the Cash Amount to the Vendors accordingly. The Cash Amount shall be used solely for all costs, expenses and taxes incurred in relation to the Restructuring, which will be financed by the internal resources of the Group. The Consideration Shares shall be allotted and issued to the Vendors on the date of the Completion.

Basis for the Consideration

The Consideration was determined after arm's length negotiations between the parties based on the value of Beijing Chuangxinzhong of approximately RMB400 million, with reference to the valuation conducted by AVISTA Valuation Advisory Limited, an independent professional valuer engaged by the Company (the "Valuer").

The Valuer is a leading professional valuation and financial advisory firm with over 20 years of experience in performing full range of valuation and financial advisory services for various purposes. The diverse team of professionals comes from globally-renowned valuation firms, investment banks, consulting firms and international accounting firms with qualifications such as CFA, HKICPA, CPA Australia and Member of The Royal Institution of Chartered Surveyors.

The Valuer has adopted market approach for the valuation, in which the Valuer considered that enterprise value-to-earnings before interest and tax multiple ("EV/EBIT") is the most appropriate valuation multiple for determining the fair value of Beijing Chuangxinzhong, as this multiple is able to capture the earning abilities of the company by removing interests expense (or income, as appropriate) and normalizing tax effect on earnings. EV/EBIT is a commonly adopted valuation multiple for profit-making company across different industries since it can take the capital structure as well as the earning ability of the company into account while disregard the bias and operational difference in both tax and interest between Beijing Chuangxinzhong and the comparable companies. The major difference between EV/EBIT and enterprise value-to-earnings before interest, taxes, depreciation, and amortization multiple ("EV/EBITDA"), another commonly-used valuation multiple, is that EV/EBIT includes the depreciation and amortization expenses. Given that some companies might require frequent capital expenditure to sustain their profits, EV/EBIT is considered to be more reflective of a company's true financial strength.

Enterprise value is generally derived based on the market capitalization of a company, plus net debt (total debts net of cash and cash equivalents), minority interest and preferred shares. The Valuer has reviewed the calculation of enterprise value of each comparable company.

LETTER FROM THE BOARD

Selection of Comparable Companies

The selection of the comparable companies was based on the comparability of the overall industry sector. An exhaustive list of comparable public companies is shortlisted based on the following selection criteria:

1. the primary industry of the company is classified as advertising;
2. the company is principally engaged in digital marketing related businesses;
3. over 50% of the total revenue of the company is attributable to digital marketing related businesses;
4. the company is listed on the United States' or Asia's recognized stock exchanges; and
5. the financial information of the company is available to the public.

For the selection of comparable companies, the Valuer has considered factors including but not limited to the business nature, the geographical location, the development stage, the size of the company, etc. Above all, the Valuer has considered the nature of business as the primary factor in the selection of comparable companies, in which companies with majority revenue (i.e. over 50% of revenue) attributable to digital marketing related business are being selected. Meanwhile, given that the business model of digital marketing is similar across different countries, the Valuer considers the geographical locations should not be the constraint in selecting comparable companies and certain overseas listed companies are selected even though their business operations are not in the PRC.

The table below sets out the last-twelve-month (“LTM”) EV/EBIT multiples of the comparable companies:

No.	Company Name	Exchange: Ticker	LTM EV/EBIT ¹
1	Adtiger Corporations Limited	SEHK: 1163	11.3
2	AM Group Holdings Limited	SEHK: 1849	N/A ²
3	Cheil Worldwide Inc.	KOSE: A030000	10.4
4	eMnet Inc.	KOSDAQ: A123570	8.7
5	F@N Communications, Inc.	TSE: 2461	5.1
6	Fluent, Inc.	NasdaqGM: FLNT	24.0
7	Incross Co., Ltd.	KOSDAQ: A216050	23.9
8	Joy Spreader Interactive Technology Co., Ltd	SEHK: 6988	N/A ²
9	PlayD Co., Ltd.	KOSDAQ: A237820	17.5
10	ValueCommerce Co., Ltd.	TSE: 2491	19.0

LETTER FROM THE BOARD

Notes:

1. Data sourced from Bloomberg database. The equity values of the comparable companies are computed based on the market capitalization of the companies as of September 30, 2020. EV/EBIT multiple of the comparable companies are calculated based on the LTM financial data of the comparable companies available as of September 30, 2020.
2. The implied LTM EV/EBIT multiples of AM Group Holdings Limited and Joy Spreader Interactive Technology Co., Ltd are 45.9x and 75.4x respectively, which are considered as outliers, hence these two companies were not adopted in the analysis.

Derivation of the Equity Value

The Valuer hence determined the fair value of Beijing Chuangxinzhong based on the multiple of (i) the EBIT of Beijing Chuangxinzhong of RMB24.7 million for the 12-month period ended September 30, 2020 and (ii) the average LTM EV/EBIT multiple of the ten comparable companies (i.e. 15.0x), further adjusted for net debts and the dividend payable of Beijing Chuangxinzhong as of September 30, 2020.

In addition, given that (i) Beijing Chuangxinzhong is privately-held; and (ii) the Company has the right to appoint two out of three directors of Beijing Chuangxinzhong upon completion of the Previous Acquisition, the Valuer has also applied lack of marketability discount (“LOMD”) and control premium (“CP”) in the analysis. The marketability discount was determined at 15.8% with reference to “Stout Restricted Stock Study Companion Guide (2020 Edition)” while the control premium was determined at 24.4% with reference to “Control Premium Study – 2nd Quarter 2020” published by FactSet Mergerstat/BVR.

Based on the above, the entire equity interest of Beijing Chuangxinzhong on a non-marketable and controlling basis is valued at approximately RMB403 million. The following table illustrates the details on the calculation:

(in RMB'000 unless otherwise specified)

Adopted EV/EBIT multiple	(a)	15.0
LTM EBIT of Beijing Chuangxinzhong	(b)	24,698
Estimated 100% Enterprise Value of Beijing Chuangxinzhong		
Chuangxinzhong	(c) = (a) × (b)	370,076
Add: Cash and cash equivalents	(d)	20,919
Less: Dividend payable	(e)	(6,000)
Estimated 100% Equity Value of Beijing Chuangxinzhong (marketable and minority basis)	(f) = (c) + (d) + (e)	384,995
Less: LOMD	(g) = – LOMD × (f)	(60,829)
Estimated 100% Equity Value of Beijing Chuangxinzhong (non-marketable and minority basis)	(h) = (f) + (g)	324,166
Add: Control premium	(i) = CP × (h)	79,096
Estimated 100% Equity Value of Beijing Chuangxinzhong (non-marketable and controlling basis)	(j) = (h) + (i)	403,262

Note: Total may not foot due to rounding.

LETTER FROM THE BOARD

The Board considers that the Consideration for the Acquisition is fair and reasonable for the following reasons:

- (a) Beijing Chuangxinzhong is principally engaged in digital marketing business, which is regarded as asset-light industry, there is no substantial machinery or production equipment required for its business operation. Therefore, the net asset value is not considered to be an appropriate benchmark for the valuation of Beijing Chuangxinzhong as it fails to consider the earning ability of Beijing Chuangxinzhong and hence is unable to reflect the fair market value of the business.
- (b) Beijing Chuangxinzhong was established in March 2018 and has been growing rapidly since 2019. Notwithstanding the loss incurred for the year ended December 31, 2018, Beijing Chuangxinzhong has achieved positive earnings for the year ended December 31, 2019 and the net profit has almost doubled from RMB11.1 million for the year ended December 31, 2019 to RMB20.5 million for the nine months ended September 30, 2020, based on its unaudited management account.
- (c) The Board has reviewed the valuation report prepared by the Valuer and had discussed with the Valuer to understand its qualifications and experiences, methodology of, and the bases and assumptions adopted for the valuation of Beijing Chuangxinzhong.

Issue of Consideration Shares under the Specific Mandate

The Consideration Shares comprise a total of 4,902,718 Shares which will be issued and allotted pursuant to the Specific Mandate. The Consideration Shares, when issued, would represent approximately 1.10% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 1.08% of the issued share capital of the Company as enlarged by issue of the Consideration Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares when allotted and issued shall be credited as fully paid and at all times rank pari passu among themselves and with the Shares in issue.

Issue Price

The Issue Price of HK\$37.50 per Consideration Share represents:

- (a) the closing price of HK\$37.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 3.59% to the average closing price of HK\$36.20 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the Last Trading Day;

LETTER FROM THE BOARD

- (c) a premium of approximately 4.33% to the average closing price of HK\$35.945 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding the Last Trading Day; and
- (d) a discount of approximately 55.14% to the closing price of HK\$83.60 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Issue Price was determined after arm's length negotiations between the Company and the Vendors with reference to the current market price of the Shares. The Directors consider that the Issue Price is fair and reasonable and on normal commercial terms.

Lock-up Undertaking

Pursuant to the Share Purchase Agreement,

- (a) during the period starting from the date of the Share Purchase Agreement to November 30, 2023 (the “**Initial Lock-up Period**”), each of the Vendors shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Company, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by each of the Vendor or any Affiliate of the Vendors or any person in privity with the Vendors or any Affiliate of the Vendors), directly or indirectly, any Consideration Shares or any securities convertible into, or exercisable, or exchangeable for, the Consideration Shares, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of the Consideration Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Consideration Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to effect any such transaction (the “**Lock-up Undertakings**”);
- (b) Subject to the Vendors having duly made cash compensations to the Purchaser in accordance with the relevant performance guarantee provisions of the Share Purchase Agreement, each of the Vendors (except Source Winner) will be free to transfer, sell or dispose the Consideration Shares after the expiry of the Initial Lock-up Period; and
- (c) Subject to Source Winner having duly made cash compensations to the Purchaser in accordance with the relevant performance guarantee provisions of the Share Purchase Agreement, upon the expiry of the Initial Lock-up Period, 60% of the Consideration Shares held by Source Winner shall be free for transfer, sale and disposal, and the remaining 40% of the Consideration Shares held by Source Winner shall still be subject to the Lock-up Undertakings during the period of twelve (12) months starting from the date on which the Initial Lock-up Period expires (the “**Second Lock-up Period**”); upon the expiry of the Second Lock-up Period, 80% of the Consideration Shares held by Source Winner shall be free for transfer, sale and disposal, and the

LETTER FROM THE BOARD

remaining 20% of the Consideration Shares held by Source Winner shall still be subject to the Lock-up Undertakings during the period of twelve (12) months starting from the date on which the Second Lock-up Period expires (the “**Third Lock-up Period**”); upon the expiry of the Third Lock-up Period, 100% of the Consideration Shares to be held by Source Winner will be free for transfer, sale and disposal.

Profits Guarantee

Pursuant to the Share Purchase Agreement, the Founders and the Vendors jointly and severally covenant that the Net Profits for the Performance Undertaking Periods shall exceed the following Guaranteed Profits:

Performance Undertaking Periods	Guaranteed Profits
First Performance Undertaking Period	RMB45 million
Second Performance Undertaking Period	RMB53 million
Third Performance Undertaking Period	RMB62 million

In case that the Net Profit for any Performance Undertaking Period fails to meet the respective Guaranteed Profit, the Company shall be entitled to require the Vendors to, and the Vendors shall (and the Founders shall ensure), once receiving the written request from the Company (the “**Compensation Notice**”), severally and not jointly or jointly and severally make cash compensation (the “**Compensation**”) to the Company (or its controlled subsidiary) calculated in the following manners within ten (10) business days (or any longer period with written consent of the Company) after the receipt of the Compensation Notice, which shall contain the consent of the Company with respect to the Lock-up Undertakings for the purpose of disposal of the Consideration Shares:

$$\begin{array}{l} \text{Compensation for} \\ \text{the relevant} \\ \text{Performance} \\ \text{Undertaking} \\ \text{Period} \end{array} = \frac{1}{3} \times \begin{array}{l} \text{(Consideration} \\ \text{- Cash} \\ \text{Amount)} \end{array} \times \frac{\begin{array}{l} \text{(Relevant Guaranteed Profit - Net Profit for} \\ \text{the relevant Performance Undertaking Period)} \end{array}}{\text{Relevant Guaranteed Profit}}$$

Notes:

1. The Compensation formula does not take into account the average LTM EV/EBIT multiple of the ten comparable companies of 15.0x because the Compensation mechanism is considered as an adjustment to the Consideration based on the operating conditions of Beijing Chuangxinzhong. It is more commercially reasonable to adopt indicators which can reflect the actual financial performance of Beijing Chuangxinzhong, i.e. the Net Profits, to determine the amount of the Compensation.
2. The Cash Amount will be used for all costs, expenses and taxes incurred in relation to the Restructuring and is therefore excluded as the basis for determining the amount of Compensation as a result of the negotiations among the parties.
3. If the Target Group incurs net loss for any Performance Undertaking Period, there will be no Net Profit for such Performance Undertaking Period and the Net Profit for the relevant Performance Undertaking Period to be used to calculate the Compensation for the relevant Performance Undertaking Period will be zero.

LETTER FROM THE BOARD

If the Company or its Affiliates fails to provide the minimum shareholder's loan of RMB120,000,000 in accordance with the Equity Transfer Agreement, the Guaranteed Profits shall be adjusted in the following manner:

$$\text{Relevant Adjusted Guaranteed Profit} = \text{Relevant Guaranteed Profit} \times \left(1 - \frac{\text{RMB120,000,000} - \text{Actual Balance of the Shareholder's Loan Provided}}{\text{RMB600,000,000}}\right)$$

Note:

In the event that the Group fails to provide the minimum shareholder's loan of RMB120,000,000 to Beijing Chuangxinzhong, Tianjin Chuangxinzhong, and any subsidiaries, branches, joint ventures or other entities to be established, acquired or controlled by Beijing Chuangxinzhong in the future, the parties estimate the Guaranteed Profit for the relevant Performance Undertaking Period of Beijing Chuangxinzhong will decrease by around 20%. The formula for the Adjusted Guaranteed Profit is determined based on such estimation of decreases in the Guaranteed Profit. The denominator of RMB600 million is determined for mathematical purpose only. As an example, assuming there will be no shareholder loan provided, the Adjusted Guaranteed Profit, according to the formula, would decrease by 20%.

The Compensation shall be made by, including but not limited to, the sale of the Consideration Shares held by the Vendors. If the sale of the Consideration Shares cannot fully settle the Compensation, the Vendors shall have the obligation (severally and not jointly or jointly and severally) to make up the deficiency within thirty (30) days thereafter in any manner in accordance with portion of shareholding of Target Company directly held by each Vendor.

If the Completion is eventually not consummated due to any reason directly caused by the non-performance of any obligations of the Target Group, the Founders or the Vendors thereunder, the Vendors shall as soon as practicable return the Cash Amount to the Company, and the Warrantors shall be severally liable to such return of the Cash Amount. If the Completion is not consummated out of other reasons other than the foregoing, neither the Target Group, the Founders nor the Vendors shall be liable to such return of the Cash Amount.

The Board is of the view that the terms of the Profit Guarantee are fair and reasonable for the following reasons:

1. the Company has conducted independent due diligence work and considered factors including but not limited to the business model of Beijing Chuangxinzhong, its business mix, the gross profit margins of its different types of services, the revenue contribution by its major customers and suppliers, its operational and financial results during the period from 2018 to the first half of 2020, and the industry prospect to determine the Guaranteed Profits; and
2. the Compensation formula was arrived at after arm's negotiations among the parties.

The Company will comply with the relevant disclosure requirements of the Listing Rules if the Net Profit for any Performance Undertaking Period fails to meet the respective Guaranteed Profit.

LETTER FROM THE BOARD

Repurchase Option and Other Rights

For the principal rights of the Company in respect of Beijing Chuangxinzhong pursuant to the Shareholders' Agreement including a repurchase option, please refer to the section headed "The Shareholders' Agreement" in the announcement of the Company dated November 9, 2020.

Conditions Precedent

The obligation of the Company to consummate the Acquisition is subject to, among others, the following conditions precedent being fulfilled or waived:

- (a) the Warrantors' Warranties being true, complete, accurate and not misleading in any material respect when made and as of the date of Completion;
- (b) none of the undertakings, covenants or warranties of Warrantors (including the Warrantors' Warranties) under the Share Purchase Agreement having been materially breached as of the date of Completion. Warrantors having performed all of its obligations thereunder required to be performed by it on or prior to the date of Completion;
- (c) all corporate proceedings on the part of the Vendors and the Target Company in connection with execution and performance of the Share Purchase Agreement being reasonably satisfactory in substance and form to the Company, and the Company having received all such counterpart originals or certified copies of such documents as it may reasonably request;
- (d) the Vendors and the Target Group having obtained all necessary authorizations from and completed all necessary registrations and filings (if applicable) with relevant governmental authorities or any third parties in respect of the Share Purchase Agreement and the Acquisition;
- (e) the Founders having completed the SAFE Registration;
- (f) the Target Group having completed the Restructuring as the Company requires;
- (g) the Target Group having settled all the payments related to the Restructuring and all relevant tax filings having been completed by utilizing the Cash Amount provided by the Company;
- (h) the Shareholders' Agreement and the articles of association of Beijing Chuangxinzhong having been duly amended and the articles of association of Beijing Chuangxinzhong having been duly submitted for filing with the competent company registration authority in the PRC;
- (i) there not having occurred, in the reasonable opinion of the Company, any material breach of the Equity Transfer Agreement and the Shareholders' Agreement on the part of the Founders;
- (j) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares; and
- (k) there not having occurred, in the sole opinion of the Company and to its satisfaction only, any material adverse change and there is no statute, regulation or decision which would prohibit, restrict or materially delay the Acquisition having been proposed, enacted or taken by any governmental authority.

LETTER FROM THE BOARD

Except conditions in paragraph (j), the Company is entitled to waive all or any of the above conditions precedent at its absolute discretion by way of written notice to the Vendors, and the Company may impose any condition to such waiver.

The obligation of the Vendors to consummate the Acquisition is subject to, among others, the following conditions precedent being fulfilled:

- (a) the Company's warranties being true, complete, accurate and not misleading in any material respect when made and as of the date of Completion;
- (b) none of the undertakings, covenants or warranties of the Company (including the Purchaser's Warranties) under the Share Purchase Agreement having been materially breached as of the date of Completion. The Company having performed all of its obligations hereunder required to be performed by it on or prior to the date of Completion;
- (c) all corporate proceedings on the part of the Company in connection with execution and performance of the Share Purchase Agreement shall be reasonably satisfactory in substance and form to the Vendors, and the Vendors shall have received all such counterpart originals or certified copies of such documents as it may reasonably request;
- (d) the Vendors having obtained all necessary authorizations from and completed all necessary registrations and filings (if applicable) with the governmental authorities or any third parties in respect of the Share Purchase Agreement and the Acquisition;
- (e) the Shareholders' Agreement and the articles of association of Beijing Chuangxinzhong having been duly amended and the articles of association of Beijing Chuangxinzhong having been duly submitted for filing with the competent company registration authority in the PRC;
- (f) immediately upon completion of the Restructuring (the relevant filing or approval documents shall be provided to the Company as it may reasonably request), the Vendors shall give a written notice to the Company to request the payment of the Cash Amount. The Company shall pay the Cash Amount to the Vendors within five (5) business days from the date of receipt of such notice and such Cash Amount shall be used solely for the purpose of settling the payment with respect to the Restructuring and taxation thereunder;
- (g) there not having occurred, in the reasonable opinion of the Founders, any material breach of the Equity Transfer Agreement and the Shareholders' Agreement on the part of Yeahka Technology;
- (h) the Listing Committee of the Stock Exchange shall have granted approval for the listing of, and permission to deal in, the Consideration Shares; and

LETTER FROM THE BOARD

- (i) there not having occurred, in the sole opinion of the Vendors and to their satisfaction only, any change or effect, the consequence of which materially and adversely affects the condition (financial or otherwise), business, liabilities, results of operations, prospects and/or assets of any of the Company and its subsidiaries as a whole.

Except conditions in paragraph (h), the Vendors are entitled to waive all or any of the above conditions precedent, at their absolute discretion by way of written notice to the Company, and the Vendors may impose any condition to such waiver.

Completion

The Completion shall take place on a day within five (5) business days after the conditions precedent are fulfilled or waived or such other day as the Vendors and the Company may agree in writing.

Reimbursement

The Company is entitled to require the relevant Vendors to, and such Vendor(s) shall (and the Founders shall ensure), once receiving the written request from the Company (the “**Reimbursement Notice**”), make cash compensation to the Company (or its controlled subsidiary) by (i) selling all of the Consideration Shares issued to such Vendor(s) and (ii) making payments with an amount which equals to the Cash Amount plus a simple interest rate of 10% per annum x the number of Sale Shares held by such Vendor/the total number of Sale Shares held by all Vendors within ten (10) business days (or any longer period with written consent of the Company) after the receipt of the Reimbursement Notice, if any of the following occurs:

- (a) the Net Profit is negative in any of the three years after Completion;
- (b) any Founder commits any crime (including but not limited to job encroachment, bribery, etc.), serious illegal act having a significant impact on the business operation of the Target Group, or fraud, during the period of the Service Commitment; and
- (c) any violation of the Service Commitment.

The Company shall transfer the number of Sale Shares originally acquired from such Vendor within fifteen (15) days after the completion of the reimbursement made by the relevant Vendor.

3. INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares have been listed on the Stock Exchange. The Group is a leading payment-based technology platform in China providing payment and business services to merchants and consumers.

LETTER FROM THE BOARD

Target Group

Target Company

The Target Company is an investment holding company incorporated under the laws of the BVI with limited liability. As of the Latest Practicable Date, the Target Company is beneficially owned by Source Winner as to approximately 58.2%, Bright Usening as to approximately 20.0%, Better One as to approximately 7.9%, Nice Globe as to approximately 4.8% and Summer.A as to approximately 9.2%.

Chuangxinzhong HK

Chuangxinzhong HK is an investment holding company incorporated under the laws of Hong Kong with limited liability. As of the Latest Practicable Date, it is wholly-owned by the Target Company.

Beijing Chuangxinzhong

Beijing Chuangxinzhong is a company established under the laws of the PRC with limited liability. Beijing Chuangxinzhong and its subsidiaries are principally engaged in the advertising agency and advertising operation business in the PRC.

As at the Latest Practicable Date, Beijing Chuangxinzhong is owned by Yeahka Technology as to 42.5%, Xu Ming Cheng Yuan as to 42.5%, Mr. Qin Lingjin as to 9.61%, Mr. Zhang Guoxian as to 3.30%, Mr. Pei Xiao as to 1.30% and Mr. Zhan Yang as to 0.79%.

After the Restructuring, Beijing Chuangxinzhong will be owned by Yeahka Technology as to 42.5%, Chuangxinzhong HK as to 42.5%, Mr. Qin Lingjin as to 9.61%, Mr. Zhang Guoxian as to 3.30%, Mr. Pei Xiao as to 1.30% and Mr. Zhan Yang as to 0.79%.

Tianjin Chuangxinzhong

Tianjin Chuangxinzhong is a limited company established in the PRC on April 26, 2020 and a direct wholly-owned subsidiary of Beijing Chuangxinzhong. Tianjin Chuangxinzhong commenced its business in October 2020 and is principally engaged in the advertising agency and advertising operation business in the PRC.

Set out below is the unaudited consolidated financial information of Beijing Chuangxinzhong as extracted from its unaudited management accounts for the financial years ended December 31, 2018 and 2019:

	Year ended December 31, 2018	Year ended December 31, 2019
	<i>(RMB in thousands, unaudited)</i>	
Profit before taxation	(940.85)	11,351.87
Profit after taxation	(940.85)	11,105.20

LETTER FROM THE BOARD

The unaudited consolidated net asset value of Beijing Chuangxinzhong as of June 30, 2020 was approximately RMB33,733,148.35.

The original acquisition costs of Source Winner and Bright Usening for their respective interest in Beijing Chuangxinzhong are approximately RMB8,727,000 and RMB2,996,700, respectively, representing the accumulative capital contributions in Beijing Chuangxinzhong from Mr. Qin Lingjin and Mr. Zhang Guoxian, respectively, up to the Latest Practicable Date.

Vendors

Source Winner, Bright Usening, Better One, Nice Globe and Summer.A are investment holding companies incorporated in the BVI, which are wholly owned by Mr. Qin Lingjin, Mr. Zhang Guoxian, Mr. Pei Xiao, Mr. Zhan Yang and Mr. Wang Zhongliang, respectively.

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the Announcements in relation to the Previous Acquisition, Beijing Chuangxinzhong is a leading content performance marketing service provider in China. The Directors believe that the strategic investment and cooperation with Beijing Chuangxinzhong will further help both sides complete the integration of high-quality resources and open up online and offline media resources and data.

With Beijing Chuangxinzhong cultivating the rapid growth in the Company's inventory of online advertising space and its advertising capacity, the data management platform (the "DMP") of the Company will become more effective. At the same time, Beijing Chuangxinzhong could enrich the Company's transaction-based data, bringing about strong synergy effect with the Company's existing marketing platform for precision advertising. In particular, the Company could expand the data dimension of its customer profile, strengthen the traffic label of the DMP and optimize its artificial intelligence-driven delivery model, hence boosting the efficiency of its marketing services and advertisers' return on marketing investment.

Mr. Qin Lingjin, one of the founders of Beijing Chuangxinzhong, has more than 19 years of experience in the mobile Internet marketing industry. Before founding Beijing Chuangxinzhong, he served as the chief operating officer and executive director of Beijing Yima Online Technology Co., Ltd. (北京億瑪在線科技股份有限公司). The Directors believe that Mr. Qin and his core team have extensive experience in the advertising industry and proven capabilities in professional online precision advertising, which will further strengthen the overall competence of the Company's marketing team and enhance the creativity of its advertising content, so that the Company can deliver more effective digital content marketing services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Share Purchase Agreement and the Acquisition were arrived at after arm's length negotiations among the parties, and are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. LISTING RULES IMPLICATIONS

Discloseable Transaction

As the Previous Acquisition and the Acquisition both involve the acquisitions of equity interests of Beijing Chuangxinzhong, which form a series of transactions conducted within a 12-month period, the Acquisition is required to be aggregated with the Previous Acquisition for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition (on its own and after aggregation with the Previous Acquisition) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting requirement under the Listing Rules.

Connected Transaction

After the Restructuring, Chuangxinzhong HK will hold 42.5% equity interest in Beijing Chuangxinzhong and accordingly is a substantial shareholder of Beijing Chuangxinzhong. Chuangxinzhong HK is a wholly-owned subsidiary of the Target Company, which in turn is owned as to approximately 58.2% by Source Winner. Source Winner is wholly-owned by Mr. Qin Lingjin, who is a director of Beijing Chuangxinzhong. Therefore, Source Winner is an associate of both Chuangxinzhong HK and Mr. Qin Lingjin and thus a connected person of the Company at the subsidiary level according to Rules 14A.07(1) and 14A.07(4) of the Listing Rules. Mr. Zhang Guoxian is the chief executive of Beijing Chuangxinzhong. Bright Usening, which is wholly-owned by Mr. Zhang Guoxian, is an associate of Mr. Zhang Guoxian and thus a connected person of the Company at the subsidiary level according to Rules 14A.07(1) and 14A.07(4) of the Listing Rules. Accordingly, the Acquisition of the Sale Shares from Source Winner and Bright Usening and the issue of Consideration Shares to Source Winner and Bright Usening constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition of the Sale Shares from Source Winner and Bright Usening and the issue of Consideration Shares to Source Winner and Bright Usening are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held at which the relevant resolution will be put forward for the Independent Shareholders to vote and approve the Acquisition and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and its associate(s) do not hold any Shares as at the Latest Practicable Date, and no Shareholder is required to abstain from voting to approve the ordinary resolution in respect of the Acquisition and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares, at the EGM.

As none of the Directors has any material interests in the Acquisition, none of them is required to abstain from voting on the Board resolutions approving the Acquisition and the transactions contemplated thereunder pursuant to the articles of association of the Company.

LETTER FROM THE BOARD

6. APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarizes the shareholding structure of the Company as at the Latest Practicable Date and immediately following the issue of the Consideration Shares:

Shareholders	As at the Latest Practicable Date		Immediately following the issue of the Consideration Shares	
	Shares	%	Shares	%
Creative Brocade International Limited ^(Note 1)	165,710,764	37.07	165,710,764	36.67
IVP Fund II A, L.P. and IVP Fund II B, L.P. ^(Note 2)	24,556,032	5.49	24,556,032	5.43
Ms. Zhou Lingli	6,571,438	1.47	6,571,438	1.45
e.ventures Growth, L.P. ^(Note 3)	6,371,972	1.43	6,371,972	1.41
Mr. Yao Zhijian	2,594,579	0.58	2,594,579	0.57
Mr. Luo Xiaohui	1,785,478	0.40	1,785,478	0.40
Other public Shareholders	239,409,861	53.56	239,409,861	52.98
The Vendors	–	–	4,902,718	1.08
Total	447,000,124	100.0	451,902,842	100.0

Notes:

- Creative Brocade International Limited is owned as to (i) 99.9% by Brocade Creation Investment Limited, which is wholly-owned by Brocade Creation Limited, the holding vehicle used by Credit Suisse Trust Limited (the trustee of the Brocade Creation Trust); and (ii) 0.1% by Creative Brocade Ltd., which is wholly-owned by Mr. Liu Yingqi, the executive Director. The Brocade Creation Trust is a discretionary trust established by Mr. Liu Yingqi (as the settlor) and the discretionary beneficiary is Mr. Liu Yingqi.
- IVP Fund II A, L.P. and IVP Fund II B, L.P. hold 16,085,284 Shares and 8,470,748 Shares, respectively. Mr. Akio Tanaka, the non-executive Director, holds the entire issued share capital of Growth Tree Ltd which in turn holds 100% of the total issued share capital in each of IVP Fund II A (GP), Ltd. and IVP Fund II B (GP), Ltd., the respective general partners of IVP Fund II A L.P. and IVP Fund II B L.P.
- e.ventures Growth, L.P. is wholly owned by e.ventures.Growth GP, LLC, which is owned by Mr. Mathias Nicolaus Schilling, the non-executive Director, as to 47.5%.
- Total may not foot due to rounding.

LETTER FROM THE BOARD

8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder. A letter from the Independent Board Committee is set out on page 24 of this circular.

Gram Capital, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. A letter from Gram Capital is set out from pages 25 to 36 of this circular.

9. EGM

A notice convening the EGM to be held at 19/F A4 Building, Kexing Science Park, 15 Keyuan Road, Nanshan District, Shenzhen, China on Monday, February 22, 2021 at 10:30 a.m. is set out from pages 59 to 61 of this circular for the purpose of considering and, if thought fit, passing the resolution as set out therein.

A form of proxy for use by the Shareholders at the EGM is enclosed herewith. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's 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 of the EGM (i.e. not later than 10:30 a.m. (Hong Kong time) on Saturday, February 20, 2021) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure that the chairman of the EGM shall demand voting on the resolution set out in the notice of EGM be taken by way of poll.

10. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 24 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders and the letter from Gram Capital set out from pages 25 to 36 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendix to this circular.

Yours faithfully,
For and on behalf of
YEAHKA LIMITED
LIU Yingqi
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Share Purchase Agreement and the transactions contemplated thereunder for the purpose of incorporation in this circular.



移卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9923)

January 29, 2021

To the Independent Shareholders

Dear Sir/Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company to the Shareholders dated January 29, 2021 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorized by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Gram Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder, as set out from pages 25 to 36 of the Circular and the letter from the Board as set out from pages 7 to 23 of the Circular.

Having considered, among other matters, the terms of the Share Purchase Agreement, the factors and reasons considered by, and the opinion of, Gram Capital as stated in its letter of advice, we consider that although the entering into of the Share Purchase Agreement is not in the ordinary and usual course of business of the Group, the terms of the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolution approving the Share Purchase Agreement (including the grant of the Specific Mandate) and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,
Independent Board Committee

Mr. Tam Bing Chung Benson

Mr. Yao Wei

Mr. Yang Tao

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Acquisition for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

29 January 2021

To: The Independent Board Committee and the Independent Shareholders of YEAHKA LIMITED

Dear Sir/ Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 29 January 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, on 24 December 2020 (after trading hours), the Company (as the purchaser), the Vendors, the Founders and the Target Company entered into the Share Purchase Agreement, pursuant to which the Company agreed to purchase, and the Vendors agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of RMB170 million.

With reference to the Board Letter, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting requirement under the Listing Rules. In addition, the Acquisition of the Sale Shares from Source Winner and Bright Usening and the issue of Consideration Shares to Source Winner and Bright Usening constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition of the Sale Shares from Source Winner and Bright Usening and the issue of Consideration Shares to Source Winner and Bright Usening are subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Tam Bing Chung Benson, Mr. Yao Wei and Mr. Yang Tao, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the terms of the Share Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; (ii) whether the Acquisition is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of the business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Share Purchase Agreement, the transactions contemplated thereunder and grant of the Specific Mandate at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Acquisition. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of any member of the Target Group, and we have not been furnished with any such evaluation or appraisal, save as and except for the valuation report on Beijing Chuangxinzhong (the "**Valuation Report**") as prepared by the Valuer and set out in Appendix I to the Circular. Since we are not experts in the valuation of company, we have relied solely upon the Valuation Report for the value of the entire equity interest in Beijing Chuangxinzhong (the "**Valuation**").

The 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 the 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 the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM GRAM CAPITAL

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, the Vendors, the Founders, the Target Group or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

Information on the Company

With reference to the Board Letter, the Group is a leading payment-based technology platform in China providing payment and business services to merchants and consumers.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2019 and the six months ended 30 June 2020 as extracted from the Company's prospectus dated 20 May 2020 and interim report for the six months ended 30 June 2020 (the "**2020 Interim Report**") respectively:

	For the six months ended 30 June 2020 <i>(unaudited)</i> RMB'000	For the year ended 31 December 2019 ("FY2019") <i>(audited)</i> RMB'000	For the year ended 31 December 2018 ("FY2018") <i>(audited)</i> RMB'000	Change from FY2018 to FY2019 %
Revenue	1,077,090	2,258,019	992,891	127.42
– One-stop payment services	885,110	2,081,051	967,988	114.99
– Technology-enabled business services	191,980	176,968	24,903	610.63
Gross profit	330,955	647,035	269,535	140.06
Profit/(Loss) for the period/year attributable to equity holders of the Company	222,641	84,663	(182,794)	N/A

LETTER FROM GRAM CAPITAL

As illustrated in the above table, the Group's revenue amounted to approximately RMB2.26 billion for FY2019, representing a significant increase of approximately 127.42% as compared to that for FY2018. Revenue from one-stop payment services amounted to approximately RMB2.08 billion for FY2019, representing a significant increase of approximately 114.99% as compared to that for FY2018 and contributing to approximately 92.16% of the Group's revenue for FY2019. The Group also record profit attributable to equity holders of the Company for FY2019 as compared to loss for FY2018.

With reference to the 2020 Interim Report, as a pioneer in providing diversified technology-enabled business services to offline small and micro merchants, the Company will continue to concentrate on its app-based payment services. The Company will develop a broader product portfolio, leveraging its industry-leading research and development capabilities, and increase its strategic investments to make deployment of Company's ecosystem. The Company will help merchants improve their efficiency and customer acquisition capabilities by further fulfilling their unmet digital needs over the entire life cycle. At the same time, the Company will continue to meet consumers' needs through merchants, creating more value for both customers and merchants. Meanwhile, the Company will gradually optimize and increase its product functionalities and types of technology-enabled services. With the integration and interaction among different products and functions, the Company will ultimately be able to build and enable a technology ecosystem for routing merchant data traffic.

Information on the Target Group

With reference to the Board Letter, the Target Company is an investment holding company incorporated under the laws of the BVI with limited liability. As at the Latest Practicable Date, the Target Company is beneficially owned by Source Winner as to approximately 58.2%, Bright Usening as to approximately 20.0%, Better One as to approximately 7.9%, Nice Globe as to approximately 4.8% and Summer.A as to approximately 9.2%. As advised by the Directors, save for the 100% equity interest in Chuangxinzhong HK, the Target Company does not have any material assets and liabilities.

Chuangxinzhong HK is an investment holding company incorporated under the laws of Hong Kong with limited liability. As at the Latest Practicable Date, it is wholly-owned by the Target Company. As advised by the Directors, save for the 42.5% equity interest in Beijing Chuangxinzhong to be held after the Restructuring, Chuangxinzhong HK does not have any material assets and liabilities.

Beijing Chuangxinzhong is a company established under the laws of the PRC with limited liability. Beijing Chuangxinzhong and its subsidiaries are principally engaged in the advertising agency and advertising operation business in the PRC. As at the Latest Practicable Date, Beijing Chuangxinzhong is owned by Yeahka Technology as to 42.5%, Xu Ming Cheng Yuan as to 42.5%, Mr. Qin Lingjin as to 9.61%, Mr. Zhang Guoxian as to 3.30%, Mr. Pei Xiao as to 1.30% and Mr. Zhan Yang as to 0.79%. After the Restructuring, Beijing Chuangxinzhong will be owned by Yeahka Technology as to 42.5%, Chuangxinzhong HK as to 42.5%, Mr. Qin Lingjin as to 9.61%, Mr. Zhang Guoxian as to 3.30%, Mr. Pei Xiao as to 1.30% and Mr. Zhan Yang as to 0.79%.

Tianjin Chuangxinzhong is a limited company established in the PRC on 26 April 2020 and a direct wholly-owned subsidiary of Beijing Chuangxinzhong. Tianjin Chuangxinzhong commenced its business in October 2020 and is principally engaged in the advertising agency and advertising operation business in the PRC.

LETTER FROM GRAM CAPITAL

Set out below is the unaudited consolidated financial information of Beijing Chuangxinzhong for the two financial years ended 31 December 2019 as extracted from the Board Letter:

	For the year ended 31 December 2019 <i>(unaudited)</i> <i>RMB'000</i>	For the year ended 31 December 2018 <i>(unaudited)</i> <i>RMB'000</i>
Profit before taxation	11,351.87	(940.85)
Profit after taxation	11,105.20	(940.85)

With reference to the Board Letter, the unaudited consolidated net asset value of Beijing Chuangxinzhong as of 30 June 2020 was approximately RMB33.73 million.

Information on the Vendors

With reference to the Board Letter, Source Winner, Bright Usening, Better One, Nice Globe and Summer.A (i.e. the Vendors) are investment holding companies incorporated in the BVI, which are wholly owned by Mr. Qin Lingjin, Mr. Zhang Guoxian, Mr. Pei Xiao, Mr. Zhan Yang and Mr. Wang Zhongliang, respectively. Source Winner and Bright Usening are also connected persons of the Company.

Reasons for and benefits of the Acquisition

With reference to the Board Letter, Beijing Chuangxinzhong is a leading content performance marketing service provider in the PRC. The Directors believe that the strategic investment and cooperation with Beijing Chuangxinzhong will further help both sides complete the integration of high-quality resources and open up online and offline media resources and data.

With reference to the Board Letter, with Beijing Chuangxinzhong cultivating the rapid growth in the Company's inventory of online advertising space and its advertising capacity, the DMP of the Company will become more effective. At the same time, Beijing Chuangxinzhong could enrich the Company's transaction-based data, bringing about strong synergy effect with the Company's existing marketing platform for precision advertising. In particular, the Company could expand the data dimension of its customer profile, strengthen the traffic label of the DMP and optimize its artificial intelligence-driven delivery model, hence boosting the efficiency of its marketing services and advertisers' return on marketing investment.

With reference to the Board Letter, Mr. Qin Lingjin, one of the founders of Beijing Chuangxinzhong, has more than 19 years of experience in the mobile Internet marketing industry. Before founding Beijing Chuangxinzhong, he served as the chief operating officer and executive director of Beijing Yima Online Technology Co., Ltd. (北京億瑪在線科技股份有限公司). The Directors believe that Mr. Qin and his core team have extensive experience in the advertising industry and proven capabilities in professional online precision advertising, which will further strengthen the overall competence of the Company's marketing team and enhance the creativity of its advertising content, so that the Company can deliver more effective digital content marketing services.

LETTER FROM GRAM CAPITAL

We noted from an article headed “2020年中國廣告行業市場現狀及發展趨勢分析” (source: <https://bg.qianzhan.com/trends/detail/506/200528-75d04ec8.html>) published by the Forward Industries Research Institute (前瞻產業研究院) (the Forward Industries Research Institute was established in Beijing in 1998 with over 16 years of industry research foundation. It mainly provides information for enterprises, governments, and scientific research institutes in areas such as industrial declaration, industrial planning, industrial upgrading and transformation, and sub-industry research with planning consultation and solutions.) in May 2020 that the data published by the State Administrative for Market Regulation of the PRC showed improvement in the advertising industry and the structure of advertising business units entered a sound development track in 2019. In 2019, the overall PRC advertising market scale reached approximately RMB867 billion, representing an increase of 8.54% as compared to that in 2018.

In light of the above and that the Acquisition is in-line with the Group’s intention to develop a broader product portfolio and gradually optimize and increase its product functionalities and types of technology-enabled services, we concur with the Directors that, although the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and its Shareholders as a whole.

Principal terms of the Share Purchase Agreement

Summarised below are the principal terms for the Share Purchase Agreement, details of which are set out under the section headed “2. THE SHARE PURCHASE AGREEMENT” of the Board Letter.

Date:

24 December 2020 (after trading hours) (the “**Agreement Date**”)

Parties:

- (1) the Company;
- (2) the Vendors;
- (3) the Founders; and
- (4) the Target Company.

Subject Matter

Pursuant to the Share Purchase Agreement, the Company agreed to purchase, and the Vendors agreed to sell, the Sale Shares subject to the fulfillment of the conditions precedent and the relevant terms and conditions set out in the Share Purchase Agreement.

Consideration

The Consideration for the Sale Shares is RMB170 million, which shall be settled partially by (i) payment of the Cash Amount (i.e. RMB15 million); and (ii) the allotment and issue of 4,902,718 Consideration Shares by the Company to the Vendors at the Issue Price of HK\$37.50 per Consideration Share.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Consideration was determined after arm's length negotiations between the parties based on the value of Beijing Chuangxinzhong of approximately RMB400 million, with reference to the Valuation conducted by the Valuer.

The Valuation Report

As aforementioned, (i) save for the 100% equity interest in Chuangxinzhong HK, the Target Company does not have any material assets and liabilities; and (ii) save for the 42.5% equity interest in Beijing Chuangxinzhong to be held after the Restructuring, Chuangxinzhong HK does not have any material assets and liabilities.

Accordingly, to assess the fairness and reasonableness of the Consideration, we obtained the Valuation Report prepared by the Valuer and noted that the Valuation as at 30 September 2020 (the "**Valuation Date**") was approximately RMB403 million. Details of the Valuation Report are set out in the section headed "2. THE SHARE PURCHASE AGREEMENT" of the Board Letter.

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer's qualification in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Valuation. From the mandate letter and other relevant information provided by the Valuer, the business valuation reports prepared by the Valuer for Hong Kong listed companies sourced from the Stock Exchange's website and based on our interview with the Valuer, we were satisfied with the terms of engagement of the Valuer as well as their qualification for preparation of the Valuation Report. Upon our enquiry, both of the Company and the Valuer confirmed that the Valuer is independent to the Group, the Target Group, the Vendors and the Founders.

With reference to the Valuation Report, the Valuation Report was prepared by the Valuer by adopting market approach. Upon our enquiry, the Valuer advised us that:

- (i) Cost Approach is not appropriate in the Valuation as it fails to consider the economic benefits of ownership of the business. The Valuer considered the consolidated net book value of Beijing Chuangxinzhong as of the Valuation Date may not truly reflect the value of its equity interest, as part of the value will be attributed to the future benefit of Beijing Chuangxinzhong, deriving from the digital marketing related businesses;
- (ii) income Approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projection of Beijing Chuangxinzhong, and the assumptions might not be able to reflect the uncertainties in the future performance of Beijing Chuangxinzhong. Given that improper assumptions will impose significant impact on the fair value, income approach is not adopted in the Valuation; and
- (iii) fair value arrived from market approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of Beijing Chuangxinzhong, their market values are good indicators of the industry. Hence, the Valuer adopted market approach as an appropriate approach for the Valuation.

Given the above, we did not cross-check the Valuation with other valuation approaches.

LETTER FROM GRAM CAPITAL

We further reviewed and enquired into the Valuer on the methodologies adopted and the basis and assumptions adopted in the Valuation Report in order for us to understand the Valuation Report.

With reference to the Valuation Report, by adopting market approach, the Valuer had to select the appropriate comparable public companies. The selection of the comparable companies was based on the comparability of the overall industry sector. The list of comparable public companies, their selection criteria and particulars are set out under the Valuation Report. Having considered the selection criteria and particulars of the comparable public companies, we do not doubt the fairness and reasonableness of adoption of the comparable public companies.

With reference to the Valuation Report, the Valuer had to determine the appropriate valuation multiples for the Valuation, in which the Valuer considered price-to-earnings (“P/E”), price-to-book (“P/B”), and enterprise value/earnings before interests and taxes (“EV/EBIT”) multiples. Having considered the weaknesses of P/E multiple and P/B multiple and the advantages of EV/EBIT multiple as set out under the Valuation Report, we do not doubt the appropriateness of adoption of EV/EBIT multiple for the Valuation.

During our discussion with the Valuer, we did not identify any major factor which caused us to doubt the fairness and reasonableness of the methodology, principal bases, assumptions and parameters adopted for the Valuation Report.

Having considered our independent work performed on the Valuation Report and that the Consideration of RMB170 million is slightly lower than “42.5% of the Valuation” (i.e. Approximately RMB403 million x 42.5% = Approximately RMB171 million), we are of the view that the Final Consideration is fair and reasonable.

Consideration Shares and Issue Price

With reference to the Board Letter, the Consideration Shares comprise a total of 4,902,718 Shares which will be issued and allotted pursuant to the Specific Mandate. The Consideration Shares, when issued, would represent approximately 1.10% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 1.08% of the issued share capital of the Company as enlarged by issue of the Consideration Shares.

The Issue Price of HK\$37.50 per Consideration Share represents:

- (a) a discount of approximately 55.14% to the closing price of HK\$83.60 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) the closing price of HK\$37.50 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a premium of approximately 3.59% over the average closing price of HK\$36.20 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Last Trading Day.

With reference to the Board Letter, the Issue Price of HK\$37.50 per Share was determined after arm’s length negotiations between the Company and the Vendors with reference to the current market price of the Shares.

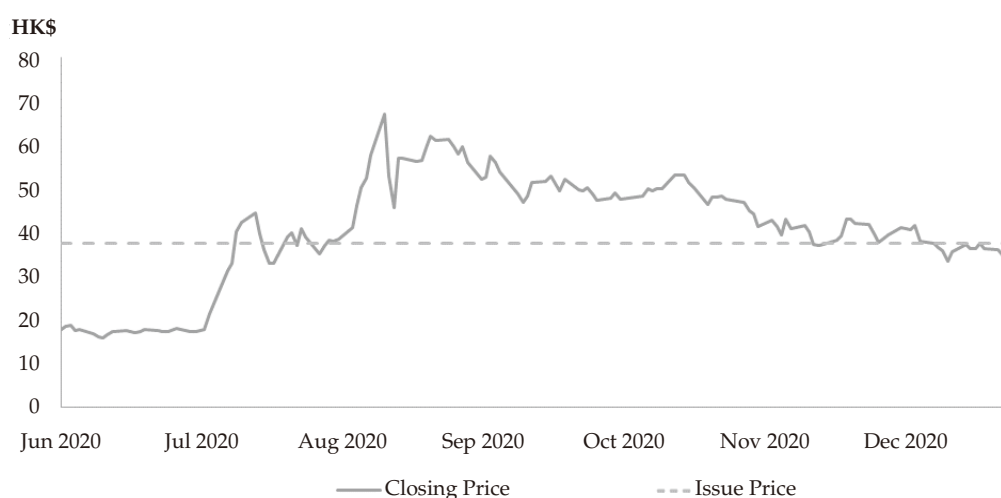
LETTER FROM GRAM CAPITAL

In order to assess the fairness and reasonableness of the Issue Price, we performed the following assessments.

Share price performance

In order to assess the fairness and reasonableness of the Issue Price, we reviewed the daily closing prices of the Shares as quoted on the Stock Exchange from 1 June 2020 (the Company's listing date) up to and including the Agreement Date (the "**Review Period**"), being a period of approximately seven months up to and including the Agreement Date. The daily closing prices of the Shares are illustrated as follows:

Historical daily closing price per Share



Source: The Stock Exchange's website

During the Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$15.82 recorded on 10 June 2020 and HK\$67.05 recorded on 10 August 2020 respectively. The Issue Price of HK\$37.50 is within the range of the lowest and highest closing prices of Shares during the Review Period.

As illustrated in the above diagram, the closing prices increased significantly in July and August 2020 and followed a general downward trend from late August 2020 up to the Agreement Date. The closing price of the Shares was HK\$37.50 as at the Agreement Date.

Comparable transactions

As part of our analysis, we further identified transactions in relation to acquisition involving the issue of consideration shares (the "**Comparables**") which were announced by companies listed on the Stock Exchange during the period from 1 October 2020 up to the Agreement Date (being an approximate three months period up to and including the Agreement Date). To the best of our knowledge and as far as we are aware of, we found 9 transactions which met the said criteria and they are exhaustive as far as we are aware of. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables and we have not conducted any independent verification with regard to the businesses and operations of such companies.

LETTER FROM GRAM CAPITAL

Company name (stock code)	Date of announcement	Premium/(discount) of the issue price to closing price per share on the last trading day prior to/date of agreement in relation to the respective issuance of shares
Vongroup Limited (318)	22 October 2020	(15.09)
HangKan Group Limited (8331)	23 October 2020	12.50
HengTen Networks Group Limited (136)	26 October 2020	(9.09)
ZTE Corporation (763)	28 October 2020	86.18 (<i>Note</i>)
7Road Holdings Limited (797)	9 November 2020	(0.37)
China Hanking Holdings Limited (3788)	12 November 2020	2.56
Elife Holdings Limited (223)	27 November 2020	29.87
SDM Group Holdings Limited (8363)	7 December 2020	Nil
China Fordoo Holdings Limited (2399)	14 December 2020	(19.70)
Maximum (excluding outlier)		29.87
Minimum (excluding outlier)		(19.70)
Average (excluding outlier)		0.09
The Company		Nil

Source: The Stock Exchange's website

Note: The consideration shares are A shares of the subject company.

We noted from the above table that the issue prices of the Comparables ranged from a discount of approximately 19.70% to a premium of approximately 29.87% with average premium of approximately 0.09% (excluding the case of ZTE Corporation (Stock code: 763) which we considered to be an outlier) to/over the respective closing prices of the shares on the last trading day prior to/date of agreement in relation to the respective acquisition (the “**Discount/Premium Market Range**”). As such, the Issue Price, which equals to the closing price of the Shares on the Agreement Date, falls within the Discount/Premium Market Range. Therefore, we are of the opinion that the Issue Price is in line with the market practice.

Having also considered that the Issue Price of HK\$37.50 is within the range of the lowest and highest closing prices of Shares during the Review Period, we consider the Issue Price of HK\$37.50 to be fair and reasonable.

Other material terms

With reference to the Board Letter, there are profits guarantee and reimbursement provisions under the Share Purchase Agreement. Details of the aforesaid provisions are set out in the sub-sections headed “Profits Guarantee” and “Reimbursement” under the section headed “2. THE SHARE PURCHASE AGREEMENT” in the Board Letter.

LETTER FROM GRAM CAPITAL

We consider the above provisions can safeguard the Company's interest from possible unsatisfactory financial performance of the Target Group, misconduct of the Founders having a significant impact on the business operation of the Target Group or violation of the Service Commitment by the Founders.

According to the Board Letter: (i) the Compensation formula does not take into account the average LTM EV/EBIT multiple of the comparable companies of 15.0x under the Valuation Report because the Compensation mechanism is considered as an adjustment to the Consideration based on the operating conditions of Beijing Chuangxinzhong; and (ii) the Cash Amount will be used for all costs, expenses and taxes incurred in relation to the Restructuring and is therefore excluded as the basis for determining the amount of Compensation as a result of the negotiations among the parties.

We also noted that (i) the Compensation formula does not take into account the proportional interest in Beijing Chuangxinzhong (i.e. 42.5%) to be indirectly acquired under the Acquisition; (ii) each of the Guaranteed Profits under the Performance Undertaking Periods is significantly higher than the LTM EBIT of Beijing Chuangxinzhong adopted under the Valuation Report; and (iii) in the event that Beijing Chuangxinzhong fails to make any Guaranteed Profits under the Performance Undertaking Periods, the Consideration (excluding the Cash Amount) will be fully covered by the Compensation.

Accordingly, we consider the Compensation to be fair and reasonable.

Other terms of the Share Purchase Agreement are set out in the section headed "2. THE SHARE PURCHASE AGREEMENT" in the Board Letter.

Taking into account the principal terms of the Share Purchase Agreement as set out above, we consider that the terms of the Acquisition pursuant to the Share Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

Possible dilution effect on the shareholding interests of the public Shareholders

With reference to the shareholding table in the section headed "7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" of the Board Letter, the shareholding interests held by the public would be diluted by approximately 0.58 percentage points as a result of the issue of Consideration Shares. In this regard, taking into account (i) the reasons for and benefits of the Acquisition; and (ii) the terms of the Share Purchase Agreement being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the public Shareholders as a result of the issue of Consideration Shares is justifiable.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Acquisition are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not conducted in the ordinary and usual course of the business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Purchase Agreement, the transactions contemplated thereunder and grant of the Specific Mandate and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular, received from AVISTA Valuation Advisory Limited, in connection with its valuation of 100% equity interest of Beijing Chuangxinzhong as at 30 September 2020.



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January 29, 2021

The Board of Directors
YEAHKA LIMITED
19th Floor, Building A4,
Kexing Science Park,
Nanshan district, Shenzhen

Dear Sirs/Madams,

Re: Valuation of 100% equity interest of Beijing Chuangxinzhong Technology Co., Ltd.

In accordance with your instructions, AVISTA Valuation Advisory Limited (“**AVISTA**” or “**we**”) has conducted a business valuation in connection with 100% equity interest of Beijing Chuangxinzhong Technology Co., Ltd. (the “**Target**”) as of 30 September 2020 (the “**Valuation Date**”). We understand that YEAHKA LIMITED (the “**Company**”, “**Yeahka**” or “**you**”) intends to acquire 42.5% shareholdings of the Target (the “**Proposed Acquisition**”).

It is our understanding that this appraisal will be used as reference to your determining the price for the purchase of the Target and, where relevant, for disclosure purpose under the requirement of the listing rules of the Hong Kong Stock Exchange (the “**Listing Rules**”). This report (the “**Report**”) does not constitute an opinion on the commercial merits and structure of the Proposed Acquisition. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realisation and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions, explains the analysis methodology adopted in this appraisal process to calculate the value, also the additional supporting documentation has been retained as a part of our work papers.

BASIS OF ANALYSIS

We have appraised the fair value of 100% equity interest of the Target.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

COMPANY BACKGROUND

Yeahka provides payment and business services to merchants and consumers. The Company offers one-stop payment services, app-based payment services, and other services. Yeahka provides services in China.

The Target was established in 2018 and is principally engaged in the advertising agency and advertising operation business in China.

We understand that the Company is contemplating to acquire 42.5% equity interest of the Target. According to the Management, the Proposed Acquisition is regarded as a discloseable and connected transaction under the Listing Rules, in which the Company is required to dispatch a circular to its shareholders (the “**Circular**”).

SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company’s representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target, including the legal documents, licenses, financial statements, etc. made available to us;
- Discussed with the Company to understand the history, business model, operations, customer base, business development plan, etc. of the Target for valuation purpose;
- Carried out researches in the sector concerned and collected relevant market data from reliable sources for analysis;
- Investigated into the information of the Target made available to us and considered the basis and assumptions of our conclusion of value;
- Designed an appropriate valuation model to analyze the market data and derived the estimated fair value of the Target; and
- Compiled a report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target and their authorized representatives.

ECONOMY OVERVIEW

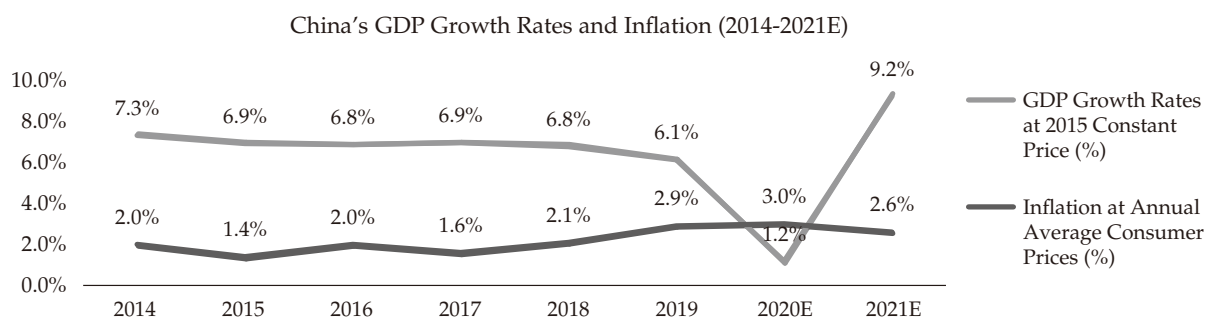
Macroeconomic overview of China

China is the second-largest economy in the world in 2019, with an annual gross domestic product (“GDP”) of USD 14,343 billion, according to the World Bank. Despite the increase in GDP, the GDP growth rate of 6.1% in 2019 marked the slowest pace since 1990, due to weak domestic demand and deteriorating external environment. Domestically, industrial output and retail sales are slowing and high levels of debt have begun to weigh on economic performance, according to Economist Intelligence Unit (“EIU”). Externally, the Sino-US trade war, global economic slowdown and geopolitical tensions post an uncertain outlook for China.

China’s GDP recorded a 6.8% contraction in 1Q2020, primarily due to a severe blow to economic activity in connection with the Coronavirus Disease 2019 (the “COVID-19”). As reported by the National Bureau of Statistics of China (“NBS”) in August 2020, fixed asset investment was down 1.6% year on year in July while private sector investment dropped 5.7%; retail sales were down 1.1% year on year. Nonetheless, monetary easing such as cutting interest rates and the nominal reserve ratio and fiscal resources through the issuance of bonds to fund public investment have been mobilized. EIU expects the annual GDP to expand by around 1.2 to 2.0%, signaling optimism on a faster-than-expected recovery and policy support. A rebound is expected to follow in 2021, with a GDP growth rate of 9.2%, as forecasted by International Monetary Fund (“IMF”).

China is entering a period of higher structural inflation, owing to an upward cycle in pork prices driven by the African swine fever outbreak. EIU expects inflation to top at its highest level since 2011. Upward pressures on prices are likely to remain in the near future due to strengthened regulations over food imports and large-scale flooding in China, despite some offset resulted from plummeting global oil prices.

Moving forward, the external conditions are gloomy, notwithstanding that the current account is expected to remain in surplus at an average of 0.8% of GDP in 2020-22. The Sino-US trade war will intensify in the areas of technology, finance, security and investment. In response, trade policy will continue to centre on diversification. Meanwhile, EIU expects services imports to contract by 32.9% in 2020 owing to global travel restrictions and health concerns dragging demand for outbound tourism. The value of goods exports will contract by 14% as a result of disruption to global supply chains and demand.



Source: The World Bank, Bloomberg EIU, BBC News, Fitch Ratings, NBS, Fortune, World Economic Outlook, IMF, April 2020

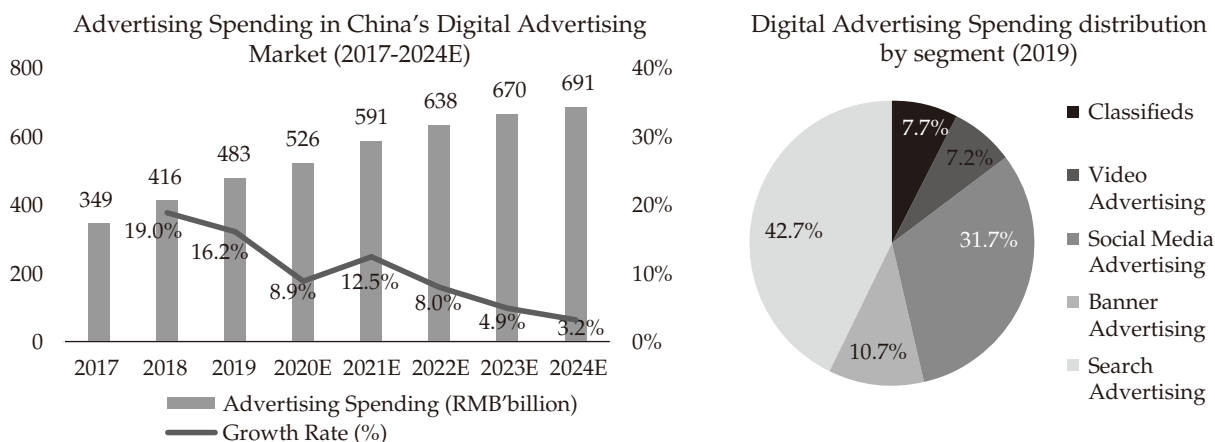
INDUSTRY OVERVIEW

Overview of the Digital Advertising Market in China

Digital advertising delivers marketing messages in various formats to customers with the use of the internet. The channels of digital advertising include search, social media, banner, video advertising, etc. According to Statista, advertising spending in the digital advertising market in China surged from RMB349 billion to RMB483 billion over the period from 2017 to 2019, represents a compounded annual growth rate (“CAGR”) of 17.5%.

Search advertising, which describes text-based or image-based advertisements that are displayed on search result pages, is the largest segment of the digital advertising market in China, followed by the social media advertising segment. According to Statista, search advertising and social media advertising contributed 42.7% and 31.7% of the total digital advertising spending respectively in 2019.

In recent years, China has actively developed and expanded the network connection to all areas and significantly increased the accessibility of the internet. The increase in the number of internet users and user penetration offers advertisers more opportunities to personalize and optimize marketing strategies in order to effectively pinpoint their target audiences easily. With the foreseeable expansion of the digital advertising market in China, digital advertising spending is expected to reach RMB691 billion by 2024, represents a CAGR of 7.4% over the period from 2019 to 2024.



Source: Statista

LIMITATIONS OF THE REPORT

The Report serves as reference to your determining the price for the purchase of the Target and, where relevant, for a basis for disclosure purpose under the requirement of the Listing Rules. We will not be liable for any unauthorized use of the report. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target).

The Report does not constitute an opinion on the commercial merits and structure of the Proposed Acquisition. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Acquisition. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Proposed Acquisition and such remain the sole responsibility of the Directors and the management of the Company.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

The outbreak of COVID-19, as declared by the World Health Organization as a global pandemic on 11 March 2020, has been adversely affecting the global economy as well as the financial markets. As such, the subsequent impact due to COVID-19 has imposed an unprecedented set of circumstances on which to base a valuation judgement as of the Valuation Date. In particular, the increased volatilities in political, legal, fiscal, economic conditions and/or other market situations as a result of COVID-19 would bring higher uncertainties to the underlying assumptions. Consequently, higher degree of caution should be attached to our valuation than would normally be the case.

VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target and specific competitive environments affecting the industry;
- the business risks of the Target;
- the price multiples of the comparable companies engaging in business operations similar to the Target;
- the experience of the management team of the Target and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target;
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date; and
- The working capital adjustments on consideration will not significantly affect the normal operation of the businesses, and thus the calculation of the enterprise value.

VALUATION APPROACH

General Valuation Approaches

There are three generally accepted approaches to appraise the fair value of the equity value of the Target, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target:

Income Approach	<p>The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.</p> <p>The fundamental method for income approach is the discounted cash flow (“DCF”) method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.</p>
Cost Approach	<p>The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.</p>
Market Approach	<p>The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.</p> <p>Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.</p>

Selected Valuation Approach

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal regarding the fair value of the equity value of the Target, we applied the Market Approach due to the following reasons:

- Cost Approach is not appropriate in the current appraisal as it fails to consider the economic benefits of ownership of the business. We considered the consolidated net book value of the Target as of the Valuation Date may not truly reflect the value of its equity interest, as part of value will be attributed to future benefit of the Target, deriving from the digital marketing related businesses.
- Income Approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Target, and the assumptions might not be able to reflect the uncertainties in the future performance of the Target. Given that improper assumptions will impose significant impact on the fair value, Income Approach is not adopted in this valuation.
- Fair value arrived from Market Approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target, their market values are good indicators of the industry. Therefore, Market Approach has been adopted in this valuation.

By adopting market approach, we have to select the appropriate comparable public companies. The selection of the comparable companies was based on the comparability of the overall industry sector. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The principal business of the Target is digital advertising. We have conducted our review to cover public companies with majority of revenue generated from digital marketing related businesses.

The comparable public companies are selected with reference to the following selection criteria:

- The primary industry of the companies is classified as advertising;
- The majority of revenue (i.e.>50%) is attributable to digital marketing related businesses;
- The companies are listed on the US and Asia's recognized stock exchanges; and
- The financial information of the companies is available to the public.

The list of comparable companies based on the selection criteria is considered to be exhaustive. Details of the comparable companies are illustrated as follows:

Company Name	Stock Code	Listing Location	Business Description	Revenue Segment(s)
Adtiger Corporations Limited	SEHK:1163	Hong Kong	Adtiger Corps Ltd. provides online advertising services in the People's Republic of China and internationally. Its online advertising platform connects advertisers with media publishers. The company provides overseas online advertising services to China-based advertisers. Its advertising platform provides one-stop services to advertisers for their needs of user acquisition, as well as to media publishers for their needs of monetization.	Online Advertising Services: 100%
AM Group Holdings Limited	SEHK:1849	Hong Kong	AM Group Holdings Limited provides online marketing services in Singapore and Malaysia. It offers search engine marketing services, creative and technology services such as website development and hosting, search engine optimization, and other advertisement supporting services. In addition, it offers social media marketing services, which delivers customized information to customers.	Search Engine Marketing Services: 77.5% Creative and Technology Services: 18.1% Social Media Marketing Services: 4.4%
Cheil Worldwide Inc.	KOSE: A030000	South Korea	Cheil Worldwide Inc. provides various marketing solutions worldwide. It offers strategic, creative, and media solutions; integrated digital marketing solution and social media platform; and experiential marketing solutions, such as events, exhibitions, sports, and retail marketing solutions.	Advertising services: 100%
eMnet Inc.	KOSDAQ: A123570	South Korea	eMnet Inc. operates as a professional online marketing consulting company worldwide. The company provides various services, including strategy adopting and consulting, search advertisement, banner advertisement, viral marketing, and global advertisement.	Advertising agencies: 83.8% Other advertising agencies: 8.1% Other: 8.1%

Company Name	Stock Code	Listing Location	Business Description	Revenue Segment(s)
F@N Communications, Inc.	TSE:2461	Japan	F@N Communications, Inc. develops Internet advertising related businesses in Japan. The company offers cost per action ad network business that comprises of smartphone app installed advertising and affiliate advertising, which optimizes ad distribution on the human side. The company also offers cost per click services, which includes behavioral targeting advertising and smartphone ad networks that optimizes ad distribution through technology under the nend and nex8 platforms.	Internet advertising service: 66.7% Mobile advertising service: 28.8% Search engine marketing: 2.3% Advertising revenue: 2.2%
Fluent, Inc.	NasdaqGM: FLNT	The US	Fluent, Inc. provides data-driven digital marketing services primarily in the United States. The company also offers customer acquisition services by operating digital marketing campaigns, through which the company connects its advertiser clients with consumers. It delivers data and performance-based marketing executions to consumer brands, direct marketers, and agencies across a range of industries, including financial products and services, media and entertainment, health and wellness, staffing and recruitment, and retail and consumer.	Performance marketing: 100%
Incross Co., Ltd.	KOSDAQ: A216050	South Korea	Incross Co., Ltd. engages in mobile advertising business in South Korea. It offers Dawin, a video and mobile display ad network; China AD, a platform that provides integrated marketing optimization solutions; and digital ad service through the online/mobile ad solution and platform. It also provides ad products and platform planning, technological support for development and maintenance, and other services, as well as managing services for ONE store and T freemium plus.	Advertisement: 85.2% Content and management: 14.8%

Company Name	Stock Code	Listing Location	Business Description	Revenue Segment(s)
Joy Spreader Interactive Technology Co.,Ltd	SEHK:6988	Hong Kong	Joy Spreader Interactive Technology Co.,Ltd offers digital marketing services for online product providers and merchants in the People's Republic of China. It provides services to various applications, such as game, video, and utility apps; online literature products in various genres; and Html 5 game products in RPG, strategy, action, and adventure genres.	We-Media marketing service: 100%
PlayD Co., Ltd.	KOSDAQ: A237820	South Korea	PlayD Co., Ltd. provides online advertising agency services. The company offers services required for online and mobile advertisement, and website consulting and creative design. Its solution includes TechHUB, a digital marketing solution.	Advertising agencies services: 100%
ValueCommerce Co., Ltd.	TSE:2491	Japan	ValueCommerce Co., Ltd. provides affiliate marketing services in Japan and internationally. The company develops and offers affiliate marketing services, including pay-per-performance advertising services; and Value Point Club, a cash-back program that allows users to shop top brands and earn points for purchases. It also offers STORE's R8, a marketing automation system customized for Yahoo! Shopping; and Storematch, a service that provides pay-per-click Internet advertising for stores listing on online shopping malls.	Marketing solution: 53.4% EC solution: 46.6%
Million Stars Holdings Limited	SEHK:8093	Hong Kong	Million Stars Holdings provides programmatic advertising services. It provides Internet advertising agency services, which includes streaming advertising, search engine advertising, and applied marketing and navigation advertising; promotion of online game; and mobile payment technical support services.	Internet advertising agency services: 100%

Company Name	Stock Code	Listing Location	Business Description	Revenue Segment(s)
iClick Interactive Asia Group Limited	NasdaqGM: ICLK	The US	iClick Interactive Asia Group Limited provides online marketing services in the People's Republic of China and internationally. It offers audience identification solution, audience engagement and activation solution, online campaign results monitoring and measurement solution, content creation solution, etc. The company also provides mobile marketing solutions.	Mobile audience solution: 87.8% Other solution: 11.2%
ZW Data Action Technologies Inc.	NasdaqCM: CNET	The US	ZW Data Action Technologies Inc., provides omni-channel advertising, precision marketing, and data analysis services in the People's Republic of China. It offers Internet advertising, precision marketing, and related data and value-added services through its Internet portals that provide advertisers with tools to build sales channels in the form of franchisees, sales agents, distributors, and/or resellers; and distributes television shows comprising advertisements. The company is also involved in the technical services; and research and development, and other technical support services for the block chain business.	Internet Ad. and Data Service: 100%

Source: S&P Capital IQ and annual reports of the comparable companies

After selecting the abovementioned comparable companies, we have to determine the appropriate valuation multiples for the valuation of the Target, in which we have considered price-to-earnings (“P/E”), price-to-book (“P/B”), and enterprise value/earnings before interests and taxes (“EV/EBIT”) multiples.

The P/B multiple is considered not appropriate for this valuation because book value captures only the tangible assets of a company which, if a company creates any added market value (as reflected by a P/B multiple of larger than one), should have its own intangible competencies and advantages. These intangible company-specific competencies and advantages are not captured in the P/B multiple and so in general, the equity's book value has little bearing with its fair value. Thus, the P/B multiple is not a good measurement of the fair value of a company.

In addition, P/E multiple is not adopted since (i) the earnings of company could be inflated due to one-off items; (ii) P/E multiple is unable to consider the capital structure of the company; and (iii) tax policies differs in different listing countries where the effect of tax on earnings of comparable companies should be eliminated.

EV/EBIT multiple is the most appropriate indicator of the fair value of the comparable companies because it is able to incorporate the capital structure of the companies and hence could be utilized to directly compare companies in the same industry with varying debt levels. Also, EV/EBIT multiple accounts for the cash flows of the company since it usually excludes one-off and non-cash items of the company. Therefore, EV/EBIT multiple is adopted in the valuation of the Equity Value of the Target. Enterprise Value is generally derived based on the market capitalization of a company, plus net debt (total debt minus cash and short-term investment), minority interest and preferred shares.

The EV/EBIT multiples of comparable companies are as follows:

No.	Company Name	Stock Code	EV/EBIT ⁽¹⁾
1	Adtiger Corporations Limited	SEHK:1163	11.3x
2	AM Group Holdings Limited	SEHK:1849	N/A ⁽²⁾
3	Cheil Worldwide Inc.	KOSE:A030000	10.4x
4	eMnet Inc.	KOSDAQ:A123570	8.7x
5	F@N Communications, Inc.	TSE:2461	5.1x
6	Fluent, Inc.	NasdaqGM:FLNT	24.0x
7	Incross Co., Ltd.	KOSDAQ:A216050	23.9x
8	Joy Spreader Interactive Technology Co.,Ltd	SEHK:6988	N/A ⁽²⁾
9	PlayD Co., Ltd.	KOSDAQ:A237820	17.5x
10	ValueCommerce Co., Ltd.	TSE:2491	19.0x
11	Million Stars Holdings Limited	SEHK:8093	N/A ⁽³⁾
12	iClick Interactive Asia Group Limited	NasdaqGM:ICLK	N/A ⁽³⁾
13	ZW Data Action Technologies Inc.	NasdaqCM:CNET	N/A ⁽³⁾
	Maximum		24.0x
	Average		15.0x
	Minimum		5.1x

Notes:

- (1) Data sourced from Bloomberg. The equity values of the comparable companies are computed based on the market capitalization of the companies as of 30 September 2020. EV/EBIT data are based on the best available trailing 12-month financial data of the comparable companies.
- (2) It is noticed that the implied multiples of two comparable companies, namely AM Group Holdings Limited and Joy Spreader Interactive Technology Co.,Ltd, are located more than 1 standard deviation away from the mean and hence are defined as outliers.
- (3) There is no meaningful multiple could be determined from the subject company due to negative EBIT.

Valuation Result*(in RMB'000 unless otherwise specified)*

LTM EBIT of the Target ⁽¹⁾	24,698
Adopted EV/EBIT Multiple	15.0x
Estimated 100% Enterprise Value of the Target ⁽²⁾	370,076
Add: Cash and Cash Equivalents ⁽¹⁾	20,919
Less: Dividend Payable ⁽¹⁾	(6,000)
Estimated 100% Equity Value of the Target (before Lack of Marketability Discount (“LOMD”) and Control Premium)	384,995
Less: LOMD ⁽³⁾	(60,829)
Add: Control Premium ⁽⁴⁾	79,096
Adjusted 100% Equity Value of the Target (Rounded)	403,000

Notes:

- (1) The data are based on the management accounts of the Target as of 30 September 2020.
- (2) The amount does not equal to the multiple of EBIT of the Target and the adopted multiple illustrated above due to rounding.
- (3) LOMD reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

As the shares of the Target are unlikely to be listed in any major stock exchange or be marketable in any over-the-counter market in near future, the ownership interest in the Target are not readily marketable. However, the EV/EBIT multiple adopted in the valuation was calculated from public listed companies, which represents marketable ownership interest; fair value calculated using such EV/EBIT multiple, therefore, represents the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

While there is no available empirical study on marketability discount for companies specifically engaged in digital marketing related businesses, in this valuation exercise, the LOMD has been made reference to “Stout Restricted Stock Study Companion Guide (2020 Edition)” published by Stout Risius Ross, LLC, Inc. The overall median discount for lack of marketability as observed in The Stout Restricted Stock Study based on data from July 1980 through December 2019 is 15.8%.

- (4) Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The EV/EBIT multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest; market value calculated using such EV/EBIT multiple, therefore, represents the minority interest. Thus, control premium was adopted to adjust such minority interest market value to controlling interest market value.

Adjustment for control is made by the application of a control premium to the value of the Target’s shares. The report “Control Premium Study: 2nd Quarter 2020” by FactSet Mergerstat, LLC, a reputable research company, suggested an overall median control premium is 24.4%. A control premium of 24.4% is considered appropriate and suitable for this valuation as we understand that the Company will be given a right to assign two out of the three Board of Directors of the Target upon completion of the Proposed Acquisition.

CONCLUSION OF VALUE

Based on our investigation and analysis method employed, it is our opinion that the fair value of the 100% equity interest of the Target as of the Valuation Date is RMB403 million.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in YEAHKA LIMITED, the Target nor the value reported.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited

Vincent C B Pang
CFA, FCPA(HK), FCPA (Aus.), MRICS, RICS Registered Valuer
Managing Director

Analysed and Reported by:

Leo L Lee
CFA
Manager

Alan Ho
Analyst

Note: Mr. Vincent Pang is a member of CFA Institute, a fellow member of the CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of RICS and a RICS Registered Valuer. Vincent has over 20-year experience in financial valuation and business consulting in Hong Kong and the PRC.

APPENDIX – GENERAL LIMITATIONS AND CONDITIONS

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.
- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the property appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.
- We have not verified particulars of property, including their areas, sizes, dimensions, and descriptions, which we have used or have referred to in connection with the preparation of this Report, unless otherwise stated in this Report. Any information regarding areas, sizes, dimensions, and descriptions of property mentioned in this Report are for identification purposes only, and no one should use such information in any conveyance or other legal document. Any plans or graphical illustrations presented in this Report are intended only for facilitating the visualization of the property and its surroundings and such plans or graphical illustrations should not be regarded as a survey or a scale for size.
- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.
- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial advisor and/or its independent financial advisor for their respective work in relation to the Proposed Acquisition, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.
- Prior written consent must be obtained from AVISTA Valuation Advisory Limited for publication of this Report. Except for disclosure in the Circular in relation to the Proposed Acquisition, no part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

- No environmental impact study has been carried out, unless otherwise stated in this Report. We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.
- Unless otherwise stated in this Report, the value estimate set out in this Report excludes the impact of presence of any harmful substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination. For purposes of evaluating potential structural and/or environmental defects, where their existence could have a material impact on value of the property, we would recommend that advices from the relevant experts, such as a qualified structural engineer and/or industrial hygienist, should be sought.

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 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.

2. DISCLOSURE OF INTERESTS

(a) Interests of the Directors and Chief Executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 have taken or are deemed to have taken under such provisions of the SFO); or (ii) to be and were entered into in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, were as follows:

(i) Interests of the Directors and Chief Executives in the Shares of the Company

Name of the Director/ chief executive	Capacity/ Nature of interest	Number of ordinary shares	Number of derivative shares	Approximate percentage of shareholding (%)
Mr. Liu Yingqi ^(Note 2)	Founder of a discretionary trust	165,710,764	–	37.07
Mr. Yao Zhijian	Beneficial owner	2,594,579	300,000 ^(Note 5)	0.65
Ms. Zhou Lingli	Beneficial owner	6,571,438	–	1.47
Mr. Luo Xiaohui	Beneficial owner	1,785,478	100,000 ^(Note 5)	0.42
Mr. Mathias Nicolaus Schilling ^(Note 3)	Interest in controlled corporation	6,371,972	–	1.43
Mr. Akio Tanaka ^(Note 4)	Interest in controlled corporation	24,556,032	–	5.49

Notes:

1. All interests stated are long positions.
2. Creative Brocade International Limited is owned as to (i) 99.9% by Brocade Creation Investment Limited, which is wholly-owned by Brocade Creation Limited, the holding vehicle used by Credit Suisse Trust Limited (the trustee of the Brocade Creation Trust); and (ii) 0.1% by Creative Brocade Ltd., which is wholly-owned by Mr. Liu Yingqi. The Brocade Creation Trust is a discretionary trust established by Mr. Liu Yingqi (as the settlor) and the discretionary beneficiary is Mr. Liu Yingqi. Therefore, each of Mr. Liu Yingqi, Credit Suisse Trust Limited, Brocade Creation Limited and Brocade Creation Investment Limited is deemed under the SFO to be interested in the 165,710,764 Shares held by Creative Brocade International Limited.
3. e.ventures Growth, L.P. is wholly owned by e.ventures.Growth GP, LLC, which is owned by Mr. Mathias Nicolaus Schilling as to 47.5%. Therefore, each of Mr. Mathias Nicolaus Schilling and e.ventures.Growth GP, LLC is deemed under the SFO to be interested in the 6,371,972 Shares held by e.ventures Growth, L.P.
4. Each of IVP Fund II A, L.P. and IVP Fund II B, L.P. holds 16,085,284 Shares and 8,470,748 Shares, representing approximately 3.60% and 1.90% of the total issued share capital of the Company, respectively. Mr. Akio Tanaka holds the entire issued share capital of Growth Tree Ltd which in turn holds 100% of the total issued share capital in each of IVP Fund II A (GP), Ltd. and IVP Fund II B (GP), Ltd., the respective general partners of IVP Fund II A L.P. and IVP Fund II B L.P. Therefore, each of Growth Tree Ltd and Mr. Akio Tanaka is deemed under the SFO to be interested in the 16,085,284 Shares and 8,470,748 Shares held by IVP Fund II A, L.P. and IVP Fund II B, L.P., respectively.
5. These interests are derived from the share options granted on January 7, 2021 under the share option scheme adopted by the Company on October 13, 2020.
6. The total number of ordinary shares of the Company in issue as at the Latest Practicable Date is 447,000,124.

(ii) *Interests of the Directors and Chief Executives in the Company's Associated Corporations*

Name of the Director/chief executive	Name of associated corporation	Capacity/ Nature of interest	Registered Capital (RMB)	Approximate percentage of shareholding (%)
Mr. Liu Yingqi	Shenzhen Yeahka Technology Co., Ltd. (深圳市移卡科技有限公司)	Beneficial owner	198,545,266	99.27

Save as disclosed above, as at the Latest Practicable Date, no Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 have taken or are deemed to have taken under such provisions of the SFO); or (ii) to be and were entered into in the register that was required to be kept under Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Interests of the Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register kept pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of shareholding (%)
Creative Brocade International Limited ^(Note 2)	Beneficial owner	165,710,764	37.07
Brocade Creation Investment Limited ^(Note 2)	Interest in controlled corporation	165,710,764	37.07
Brocade Creation Limited ^(Note 2)	Interest in controlled corporation	165,710,764	37.07
Credit Suisse Trust Limited ^(Note 2)	Trustee of a trust	165,710,764	37.07
Ms. Luo Haiying ^(Note 3)	Interest of spouse	165,710,764	37.07
Growth Tree Ltd ^(Note 4)	Interest in controlled corporation	24,556,032	5.49
Recruit Holdings Co., Ltd.	Beneficial Owner	39,051,196	8.74
The Capital Group Companies, Inc. ^(Note 5)	Interest in controlled corporation	27,506,800	6.15

Notes:

- All interests stated are long positions.
- Creative Brocade International Limited is owned as to (i) 99.9% by Brocade Creation Investment Limited, which is wholly-owned by Brocade Creation Limited, the holding vehicle used by Credit Suisse Trust Limited (the trustee of the Brocade Creation Trust); and (ii) 0.1% by Creative Brocade Ltd., which is wholly-owned by Mr. Liu Yingqi. The Brocade Creation Trust is a discretionary trust established by Mr. Liu Yingqi (as the settlor) and the discretionary beneficiary is Mr. Liu Yingqi. Therefore, each of Mr. Liu Yingqi, Credit Suisse Trust Limited, Brocade Creation Limited and Brocade Creation Investment Limited is deemed under the SFO to be interested in the 165,710,764 Shares held by Creative Brocade International Limited.
- Ms. Luo Haiying, the spouse of Mr. Liu Yingqi, is deemed under the SFO to be interested in the 165,710,764 Shares in which Mr. Liu Yingqi is deemed to be interested.
- Each of IVP Fund II A, L.P. and IVP Fund II B, L.P. holds 16,085,284 Shares and 8,470,748 Shares, representing approximately 3.60% and 1.90% of the total issued share capital of the Company, respectively. Mr. Akio Tanaka holds the entire issued share capital of Growth Tree Ltd which in turn holds 100% of the total issued share capital in each of IVP Fund II A (GP), Ltd. and IVP Fund II B (GP), Ltd., the respective general partners of IVP Fund II A L.P. and IVP Fund II B L.P. Therefore, each of Growth Tree Ltd and Mr. Akio Tanaka is deemed under the SFO to be interested in the 16,085,284 Shares and 8,470,748 Shares held by IVP Fund II A, L.P. and IVP Fund II B, L.P., respectively.

5. Each of Capital Research and Management Company, Capital International Sàrl and Capital International, Inc. holds 20,101,400 Shares, 961,800 Shares and 6,443,600 Shares, representing approximately 4.50%, 0.22% and 1.44% of the total issued share capital of the Company, respectively. As at the Latest Practicable Date, Capital Research and Management Company, which was wholly-owned by The Capital Group Companies, Inc., held 100% equity interest in Capital Group International, Inc. while Capital Group International, Inc. held 100% equity interest in Capital International Sàrl and Capital International, Inc. Therefore, The Capital Group Companies, Inc. is deemed under the SFO to be interested in the 20,101,400 Shares, 961,800 Shares and 6,443,600 Shares held by Capital Research and Management Company, Capital International Sàrl and Capital International, Inc., respectively.
6. The total number of ordinary shares of the Company in issue as at the Latest Practicable Date is 447,000,124.

Save as disclosed above, so far as is known to any Directors or chief executive of the Company, as at the Latest Practicable Date, no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register kept pursuant to Section 336 of the SFO.

(c) Interests of the Directors as a director or employee of a substantial shareholder

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

Name of the Director	Position	Name of the substantial shareholder
Mr. Liu Yingqi	Director	Creative Brocade International Limited
	Director	Brocade Creation Investment Limited
Mr. Akio Tanaka	Director	Growth Tree Ltd

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, the Directors are not aware that any of them or any of their close associates had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

5. MATERIAL ADVERSE CHANGE

Save as disclosed in “Significant Events After the Reporting Period” in the interim results announcement for the six months ended June 30, 2020 published by the Company on August 27, 2020, “Management Discussion and Analysis – Significant Event after the Reporting Period” and Note 21 to the Interim Condensed Consolidated Financial Statements (Event after Balance Sheet Date) in the interim report of the Company published on September 10, 2020, 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 December 31, 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name of expert	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
AVISTA Valuation Advisory Limited	an independent valuer

Each of Gram Capital and AVISTA Valuation Advisory Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report, advice or opinion (as the case may be), and references to its name and/or logo in the form and context in which they respectively appear.

The letter and recommendation given by Gram Capital and the report given by AVISTA Valuation Advisory Limited are given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, each of Gram Capital and AVISTA Valuation Advisory Limited was not beneficially interested in the share capital of any member of the Group, nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, each of Gram Capital and AVISTA Valuation Advisory Limited had no direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired of or disposed of by, or leased to, any member of the Group since December 31, 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. INTEREST IN ASSETS AND CONTRACTS

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract, save for service contracts, or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at 40/F., Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the Share Purchase Agreement;
- (b) the Equity Transfer Agreement;
- (c) the Shareholders' Agreement;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 24 of this circular;
- (e) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out from pages 25 to 36 of this circular;
- (f) the valuation report from AVISTA Valuation Advisory Limited as set out in Appendix I;
- (g) the written consents as referred to in the section headed "Qualification and Consent of Expert" in this Appendix II; and
- (h) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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YEAHKA LIMITED

移卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9923)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**Extraordinary General Meeting**”) of YEAHKA LIMITED (the “**Company**”) will be held at 19/F A4 Building, Kexing Science Park, 15 Keyuan Road, Nanshan District, Shenzhen, China on Monday, February 22, 2021 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the share purchase agreement (the “**Agreement**”) dated December 24, 2020 entered into among (i) the Company as the purchaser, (ii) Source Winner Limited, Bright Usening Limited, Better One Limited, Nice Globe Limited and Summer.A Limited as the vendors (collectively, the “**Vendors**”); and (iii) Mr. Qin Lingjin (秦令今), Mr. Zhang Guoxian (張國顯), Mr. Pei Xiao (裴瀟) and Mr. Zhan Yang (湛揚) as the founders and CHUANGXINZHONG LTD in relation to the acquisition by the Company of additional 42.5% equity interest in Beijing Chuangxinzhong Technology Co., Ltd. (北京創信眾科技有限公司) for an aggregate consideration of RMB170,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the allotment and issue of 4,902,718 new shares of US\$0.000025 each in the share capital of the Company (the “**Consideration Shares**”), credited as fully paid, at the issue price of HK\$37.50 per Consideration Share to the Vendors pursuant to the terms and conditions of the Agreement and the transactions contemplated thereunder be and is hereby approved; and
- (c) any one director of the Company (the “**Director**”) be and is hereby authorized to do all such acts and things and execute all such documents which he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares, as are, in the opinion of the Director, in the interests of the Company and its shareholders as a whole.”

By order of the Board
YEAHKA LIMITED
LIU Yingqi
Chairman

Hong Kong, January 29, 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman in good faith, decides to allow a resolution purely relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). 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 shareholder 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 shareholder may appoint any number of proxies to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
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 notarially 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, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the above meeting (i.e. not later than 10:30 a.m. (Hong Kong time) on Saturday, February 20, 2021) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. **Closure of Register of Members**

For the purpose of determining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Wednesday, February 17, 2021 to Monday, February 22, 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that 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, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, February 16, 2021.

In the event that the Extraordinary General Meeting is adjourned to a date later than Monday, February 22, 2021 because of bad weather or other reasons, the book closure period and record date for determination of entitlement to attend and vote at the above meeting will remain the same as stated above.
5. **Bad Weather Arrangements**

If a tropical cyclone warning signal number 8 or above is hoisted or is expected to be hoisted or a black rainstorm warning signal is in force or expected to be in force in Hong Kong at any time after 8:30 a.m. on the date of the Extraordinary General Meeting, the meeting will be automatically postponed to a later date. The Company will post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company to notify shareholders of the date, time and location of the rescheduled meeting.

The Extraordinary General Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force in Hong Kong. Shareholders should in any event exercise due care and caution when deciding to attend the meeting in adverse weather conditions.
6. References to time and dates in this notice are to Hong Kong time and dates.
7. In view of the ongoing spread of the coronavirus disease (COVID-19) and the recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the Extraordinary General Meeting to protect the shareholders, staff and other stakeholders who attend the Extraordinary General Meeting from the risk of infection:
 - (i) compulsory body temperature checks will be conducted on every shareholder, proxy and other attendee. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry into the Extraordinary General Meeting venue or be required to leave the Extraordinary General Meeting venue;
 - (ii) the Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the Extraordinary General Meeting at all times, and to maintain a safe distance between seats. Every attendee is to bring his/her own mask;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) no refreshment will be served at the Extraordinary General Meeting;
- (iv) no souvenirs will be distributed at the Extraordinary General Meeting; and
- (v) no guest will be allowed to enter the Extraordinary General Meeting venue if he/she is wearing quarantine wristband issued by the government of Hong Kong.