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Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION –
RENEWED SAN GUO ZHI REN MOBILE GAME
COOPERATION AGREEMENT**

BACKGROUND INFORMATION

Reference is made to the announcement of the Company dated 6 May 2021 in relation to, among other things, the continuing connected transactions of the Company with Tencent Group pursuant to Rule 14A.60(1) of the Listing Rules.

RENEWED SAN GUO ZHI REN MOBILE GAME COOPERATION AGREEMENT

The Board is pleased to announce that, on 23 September 2022, the Group has renewed the continuing connected transaction under the San Guo Zhi Ren Mobile Game Cooperation Agreement. The Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement is for a term of one (1) year commencing from 11 September 2022 and ending on 10 September 2023.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent is indirectly interested in approximately 15.24% of the total issued share capital of the Company, and it and its associates are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1)(b) under the Listing Rules, if the Company renews an agreement for a fixed period with fixed terms for a continuing connected transaction, the Company will have to comply with the requirements of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is less than 25% and the Annual Cap is less than HK\$10,000,000, the transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The principal terms of the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement are as follows:

(A) Date:

23 September 2022

(B) Parties:

- (i) Xiamen Yidou (an indirect wholly owned subsidiary of the Company); and
- (ii) Tencent Computer.

(C) Term

One (1) year commencing from 11 September 2022 and ending on 10 September 2023.

(D) Subject Matter

Xiamen Yidou grants Tencent Computer the exclusive right to distribute and operate the mobile game "San Guo Zhi Ren" (三國之刃), and Xiamen Yidou provides the content of the mobile game and technical support of the running software. Tencent Computer provides the mobile game product operating system, the server, the interface with operators and users, system maintenance and certain customer services.

(E) Pricing Policy and Payment Term

Tencent Computer shall share with Xiamen Yidou the revenue received from commercial distribution and operation of the game. The amount received by Xiamen Yidou shall be calculated in accordance with the formula stipulated in the agreement by deducting the channel cost depending on the operating system on which the game is hosted. The amount to be received by Xiamen Yidou will be calculated as follows:

$$\text{Amount to be received by Xiamen Yidou} = \frac{(\text{revenue received} - \text{channel cost}) \times \text{revenue share rate}^{(1)}}{1}$$

Note:

- (1) Revenue share rate is depending on the different operating system on which the game is hosted. The revenue share rate remains unchanged compared with the San Guo Zhi Ren Mobile Game Cooperation Agreement.

The amount to be received by Xiamen Yidou will be paid by Tencent Computer to the designated bank account of Xiamen Yidou by bank transfer, and will be payable within twenty (20) business days from the date Tencent Computer receives the invoice issued by Xiamen Yidou and the settlement notices affixed with Xiamen Yidou's official seal.

The aggregate amount received by Xiamen Yidou pursuant to the San Guo Zhi Ren Mobile Game Cooperation Agreement was approximately RMB17,000,000 for the period from 11 September 2020 to 10 September 2022.

The proposed Annual Cap for the period from 11 September 2022 to 10 September 2023 for the amount to be received by Xiamen Yidou in total pursuant to the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement is RMB8,000,000. The Annual Cap was determined principally with reference to:

- (i) the anticipated number of new users and active users;
- (ii) the historical amount received by Xiamen Yidou pursuant to the San Guo Zhi Ren Mobile Game Cooperation Agreement;
- (iii) the plan of in-game promotions and activities.

The parties (or through their respective affiliated companies) may enter into subsequent agreements to further specify the rights and obligations between them under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED SAN GUO ZHI REN MOBILE GAME COOPERATION AGREEMENT

Tencent Group is a leading provider of Internet value added services in the PRC, and operates a wide range of top-rated game products and game platforms. It is expected that Tencent Group and the Group could leverage each other's competitive advantages in products and platforms to increase the number of game users and hence improve the popularity of mobile games developed by the Group. As a one-stop game publishing solution to game developers,

the Group is able to leverage on the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement to (i) release, distribute and/or operate the mobile game “*San Guo Zhi Ren*” (三國之刃) through Tencent, and (ii) utilise Tencent’s resources in relation to game operating system, the server, the interface with operators and users, system maintenance and certain customer services for the distribution and operation of the mobile game “*San Guo Zhi Ren*” (三國之刃).

The Directors (including independent non-executive Directors) are of the view that the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement and the transaction thereunder have been entered into in the ordinary and usual course of business of the Group and are on normal commercial terms or better, the terms of which are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest or was required to abstain from voting on the Board resolution approving the transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement.

INFORMATION ABOUT THE GROUP

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

Xiamen Yidou (an indirect wholly owned subsidiary of the Company) is principally engaged in development of mobile games.

INFORMATION ABOUT TENCENT GROUP

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent is indirectly interested in approximately 15.24% of the total issued share capital of the Company, and it and its associates are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1)(b) under the Listing Rules, if the Company renews an agreement for a fixed period with fixed terms for a continuing connected transaction, the Company will have to comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Annual Cap is less than 25% and the Annual Cap is less than HK\$10,000,000 the transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Annual Cap”	the maximum aggregate annual value projected in respect of the amount receivable by Xiamen Yidou pursuant to the continuing connected transaction under the Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and the PRC Operating Entities
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“PRC”	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan

“PRC Operating Entities”	Xiamen Guanghuan and its subsidiaries and “PRC Operating Entity” means any one of them
“Renewed San Guo Zhi Ren Mobile Game Cooperation Agreement”	Tencent mobile game platform developer agreement and San Guo Zhi Ren mobile product cooperation agreement in relation to the mobile game “ <i>San Guo Zhi Ren</i> ” (三國之刃) entered into by Tencent Computer and Xiamen Yidou dated 23 September 2022 for a term of one (1) year commencing from 11 September 2022 and ending on 10 September 2023
“RMB”	Renminbi, the lawful currency of the PRC
“San Guo Zhi Ren Mobile Game Cooperation Agreement”	Tencent mobile game platform developer agreement and San Guo Zhi Ren mobile product cooperation agreement in relation to the mobile game “ <i>San Guo Zhi Ren</i> ” (三國之刃) entered into by Tencent Computer and Xiamen Yidou dated 10 September 2020 for a term of two (2) year commencing from 11 September 2020 and ending on 10 September 2022
“Share(s)”	ordinary share(s) with nominal value of US\$0.0000001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Tencent”, together with its subsidiaries, “Tencent Group”	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 00700)
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a limited liability company established in the PRC and a PRC operating entity of Tencent

“Xiamen Yidou”

Xiamen Yidou Internet Technology Co., Ltd. (廈門翼逗網絡科技有限公司), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company

By Order of the Board

Feiyu Technology International Company Ltd.

YAO Jianjun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 23 September 2022

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

* *For identification purposes only*