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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 TRANSACTIONS –
RENEWAL OF THE TENCENT CLOUD SERVICES AGREEMENTS**

BACKGROUND INFORMATION

Reference is made to the announcement of the Company dated 1 June 2023 in relation to, among other things, the continuing connected transactions under the Tencent Cloud Services Agreements.

RENEWAL OF THE TENCENT CLOUD SERVICES AGREEMENTS

The Board is pleased to announce that, on 31 May 2024, the Group entered into the Supplemental Agreements to renew the continuing connected transactions under the Tencent Cloud Services Agreements. The Tencent Cloud Services Agreements were renewed for a term commencing from 1 June 2024 and ending on 31 December 2026.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent has indirect interest in approximately 14.97% 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 transactions under the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the highest Annual Cap is more than 0.1% but less than 5%, the transactions under the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, are subject to the reporting, annual review and announcement requirements but are 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 Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, are as follows:

(A) Date:

31 May 2024

(B) Parties:

- (i) Xiamen Youli;
- (ii) Kailuo Tianxia; and
- (iii) Tencent Cloud.

(C) Term

Commencing from 1 June 2024 and ending on 31 December 2026.

(D) Subject Matter of the Tencent Cloud Services Agreements

Xiamen Youli and Kailuo Tianxia purchase and use certain Tencent cloud services provided by Tencent Cloud including system services composed of various products and services such as computing and network, cloud virtual machine, cloud database, cloud security, monitoring and management, domain name resolution service, video service, big data and artificial intelligence.

(E) Pricing Policy and Payment Term

The fee is based on the charges published on Tencent Cloud's official website (<https://cloud.tencent.com>). Xiamen Youli and Kailuo Tianxia will pay the services fees to Tencent Cloud under the "pay as you go" method or prepayment method as they wish.

Under "pay as you go" method, Xiamen Youli and Kailuo Tianxia will only pay for the actual amount and duration they have used for the Tencent cloud services without any upfront fees. Under prepayment method, Xiamen Youli and Kailuo Tianxia will prepay

for the products or services chosen. Xiamen Youli and Kailuo Tianxia can purchase or release resources at any time, and adjust the configuration on demand. Tencent Cloud shall provide Xiamen Youli and Kailuo Tianxia with the bill for the previous month, whereupon Xiamen Youli and Kailuo Tianxia shall confirm the bill within five (5) business days. If no confirmation or objection from Xiamen Youli or Kailuo Tianxia is received by Tencent Cloud within five (5) business days, it shall be deemed that Xiamen Youli or Kailuo Tianxia has confirmed there is no objection. If Xiamen Youli or Kailuo Tianxia has any objection, it shall be negotiated and resolved between the two parties. In case the negotiation fails, the system data of Tencent Cloud shall prevail. Tencent Cloud shall issue an invoice to Xiamen Youli and/or Kailuo Tianxia based on the amount confirmed by both parties, which in case “pay as you go” method is chosen, will be payable within the period as determined by the rules of the services chosen, and if the service rules do not specify the payment period, within ten (10) business days from the date of confirmation of the bill.

THE PROPOSED ANNUAL CAP AND HISTORICAL TRANSACTION AMOUNT

The aggregate services fees paid or to be paid by Xiamen Youli and Kailuo Tianxia pursuant to the Tencent Cloud Services Agreement were approximately RMB1,876,000 for the period from 1 June 2023 to 31 May 2024.

Pursuant to the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, the proposed Annual Cap for the aggregate services fees paid or to be paid by Xiamen Youli and Kailuo Tianxia for each of the three years ending 31 December 2026 are set out as follows:

	Year ending 31 December		
	2024	2025	2026
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Relevant fees paid or payable by Xiamen Youli and Kailuo Tianxia to Tencent Cloud	3,500	6,000	5,000

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Annual Cap for each of the three years ending 31 December 2026 were determined principally with reference to:

- (i) the historical transaction amounts for cloud services used by Xiamen Youli and Kailuo Tianxia;
- (ii) the amount paid under the Tencent Cloud Services Agreements; and
- (iii) the expected cloud services requirement of the Company in respect of the launch of new games.

The parties (or through their respective affiliated companies) may enter into subsequent agreements to further specify the rights and obligations between them under the Tencent Cloud Services Agreements.

REASONS FOR AND BENEFITS OF RENEWING THE TENCENT CLOUD SERVICES AGREEMENTS

The Tencent Group has a strong position in the PRC Internet value added services industry, and offers a wide range of high-quality technological products and services. The renewal of the Tencent Cloud Service Agreements allows the Group to continue to migrate the majority of its servers and computing infrastructure to cloud services provided by Tencent Cloud. The Company believes that the procurement of high-quality technological products and services from the Tencent Group, especially cloud services provided by Tencent Cloud, will provide the Group with the necessary technologies to further develop its business, and the Company can leverage on the wide spectrum of cloud services offered by the Tencent Group to reduce unnecessary costs in reconciling and integrating its various operating systems.

The Directors (including independent non-executive Directors) are of the view that the renewal of the Tencent Cloud Services Agreements and the transactions 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 in or was required to abstain from voting on the Board resolution approving the renewal of the Tencent Cloud Services Agreements and the transactions contemplated thereunder.

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 Youli (a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company) is principally engaged in operation and distribution of web games, mobile games, Mini Games and PC games.

Kailuo Tianxia (a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company) is principally engaged in development and operation of mobile games.

INFORMATION ABOUT THE 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 Cloud is a consolidated affiliated entity of Tencent and provides information system integration services in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent has indirect interest in approximately 14.97% 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 transactions under the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the highest Annual Cap is more than 0.1% but less than 5%, the transactions under the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements, are subject to the reporting, annual review and announcement requirements but are 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 services fees paid or payable pursuant to the continuing connected transactions under the Tencent Cloud Services Agreements, as renewed by the Supplemental Agreements
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Kailuo Tianxia”	Beijing Kailuo Tianxia Technology Co., Ltd. (北京凱羅天下科技有限公司) a limited liability company established in the PRC and a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company

“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
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Supplemental Agreements”	collectively, the supplemental agreements entered into by Tencent Cloud with each of Xiamen Youli and Kailuo Tianxia both dated 31 May 2024 to renew the relevant Tencent Cloud Services Agreements
“Tencent”, together with its subsidiaries, “Tencent Group”	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: HKEX: 00700 (HKD counter) and 80700 (RMB counter))
“Tencent Cloud”	Tencent Cloud Computing (Beijing) Co., Ltd.* (騰訊雲計算(北京)有限責任公司), a limited company established under the laws of the PRC and a PRC operating entity of Tencent, the financial results of which have been consolidated and accounted for by Tencent as a controlled structured entity of Tencent by virtue of a series of contractual arrangements
“Tencent Cloud Services Agreements”	collectively, the Tencent cloud services agreements entered into by Tencent Cloud with each of Xiamen Youli and Kailuo Tianxia both dated 1 June 2022, which were renewed for a term of one (1) year by the supplemental agreements dated 1 June 2023 and further renewed by the Supplemental Agreements

“Xiamen Guanghuan”

Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009, being a company which the Group does not own but can exercise and maintain control over, and to consolidate its financial results as a wholly-owned subsidiary of the Company by virtue of certain contractual arrangements

“Xiamen Youli”

Xiamen Youli Information Technology Co., Ltd. (廈門游力信息科技有限公司), a limited liability company established in the PRC and a direct wholly owned subsidiary of Xiamen Guanghuan which is accounted for as an indirect wholly owned subsidiary of the Company

* *For identification purposes only*

By Order of the Board
Feiyu Technology International Company Ltd.
YAO Jianjun
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 31 May 2024

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 CAO Xi, as independent non-executive Directors.