
CONTINUING CONNECTED TRANSACTIONS

Upon Listing, transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

Connected persons

We have entered into certain transactions with the following connected persons, which will constitute our connected transactions or continuing connected transactions upon Listing:

Connected relationship	Name
Director and Controlling Shareholder	Ms. Tian Liping
Director	Dr. Li Zhuolin (李卓霖)
Controlling Shareholder	M3
Associate of each of Ms. Tian Liping and Dr. Li Zhuolin (李卓霖)	Yimaihutong

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Contractual Arrangements

Continuing connected transactions	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, (RMB million)
Non-exempt continuing connected transactions			
1. Contractual Arrangements	Rule 14A.35 Rule 14A.36 Rule 14A.49 Rule 14A.52 Rule 14A.53 Rule 14A.71 Rule 14A.105	Announcement, circular, independent shareholders' approval, annual cap and limiting term to three years	N/A

CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions with M3

Continuing connected transactions	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, (RMB million)
Partially exempt continuing connected transactions			
2. Amended and Restated License Agreement	Rule 14A.35 Rule 14A.49 Rule 14A.71 Rule 14A.105	Announcement	
<i>License and service fees payable by our Group</i>			2021: 2.00 2022: 2.60 2023: 3.38
3. Precision Marketing and Corporate Solutions Services Framework Agreement	Rule 14A.35 Rule 14A.49 Rule 14A.71 Rule 14A.105	Announcement	
<i>Service fees payable by M3 and/or its associates</i>			2021: 4.80 2022: 3.12

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(1) Contractual Arrangements

Background

As disclosed in the section headed “Contractual Arrangements” in this prospectus, due to regulatory restrictions on foreign ownership and other legal restrictions in the PRC, we conduct certain of our business through our Consolidated Affiliated Entities, namely Yimaihutong and its subsidiary, Yinchuan Yimaitong, in the PRC. We do not hold any equity interests in the Consolidated Affiliated Entities. Yimaihutong is held by Ms. Tian Liping as to 50% and Dr. Li Zhuolin (李卓霖) as to 50%, and Yinchuan Yimaitong is wholly-owned by Yimaihutong. The Contractual Arrangements among Jinye Tiancheng, Yimaihutong and the Registered Shareholders

CONTINUING CONNECTED TRANSACTIONS

enable us to (i) receive substantially all of the economic benefits of the Consolidated Affiliated Entities in consideration for the services provided by Jinye Tiancheng; (ii) exercise effective control over the Consolidated Affiliated Entities; and (iii) hold an exclusive option to purchase all or part of the equity interests and assets of Yimaihutong, including the equity interests and assets of Yinchuan Yimaitong, when and to the extent permitted by PRC laws.

See the section headed “Contractual Arrangements” in this prospectus for detailed terms of the Contractual Agreement.

Listing Rules implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon Listing as certain parties to the Contractual Arrangements, namely Ms. Tian Liping, Dr. Li Zhuolin (李卓霖) and Yimaihutong, are connected persons of our Company. Ms. Tian Liping is our Chairwoman, Chief Executive Officer, an executive Director and one of our Controlling Shareholders, while Dr. Li Zhuolin (李卓霖) is a non-executive Director. Yimaihutong is held by Ms. Tian Liping as to 50% and Dr. Li Zhuolin (李卓霖) as to 50%, and accordingly is an associate of each of Ms. Tian Liping and Dr. Li Zhuolin (李卓霖), and therefore a connected person of the Company.

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group’s legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by any of the Consolidated Affiliated Entities and any member of our Group (“**New Intergroup Agreements**” and each of them, a “**New Intergroup Agreement**”) technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

(2) *Amended and Restated License Agreement*

Principal terms

On November 6, 2013, to establish our strategic partnership with M3, Yimaihutong, a Consolidated Affiliated Entity, entered into a license agreement with M3 (“**License Agreement**”), pursuant to which we obtained a license of certain know-how related to MR-kun (as further described below). In connection with the Listing and to ensure compliance with the Listing Rules, our Company, Yimaihutong and M3 entered into an amended and restated license agreement (“**Amended and Restated License Agreement**”) on March 29, 2021.

MR-kun is a physician portal launched by M3 in 2000, and is a marketing tool used by pharmaceutical companies to provide delivery of information on products and diseases. M3 only licenses its know-how related to MR-kun to companies in which M3 has an equity interest and our eMR (e信使) service is modelled after MR-kun. Under the Amended and Restated License Agreement:

- (i) M3 granted to our Company a non-transferable, exclusive license during the term of the Amended and Restated License Agreement to ourselves or through any of our member of our Group (a) use and integrate know-how concerning MR-kun and (b) provide services relating to MR-kun (“**MR-kun Services**”) within the mainland of the PRC (the “**Territory**”);
- (ii) M3 will provide our Company with continuous assistance, update and know-how related to MR-kun including (a) MR-kun marketing support through the provision of information on track records of M3 business in Japan, return on investment case studies, presentation materials, introductions and contacts (from Japan and the U.S.) and (b) provide support and assistance in respect of e-detailing to the extent related to the MR-kun Services;
- (iii) M3 will neither on its own nor through third parties, build up or operate any medical, pharmaceutical, biotechnology, healthcare, nursing and/or allied or comparable Internet platform directly or indirectly related to MR-kun or any competitive services in the Territory, nor will it grant any third party the right to do so, nor will it do any other business directly or indirectly related to MR-kun in the Territory during the term of the Amended and Restated License Agreement.

CONTINUING CONNECTED TRANSACTIONS

The Amended and Restated License Agreement became effective on signing and is valid until December 31, 2023, and is renewable upon expiry for further terms of three years by the parties entering into a renewal agreement no less than one month prior to the expiry. Any such renewal shall be subject to compliance with the applicable requirements under the Listing Rules.

While the Amended and Restated License Agreement will not be automatically renewed, in practice, given that we and M3 are strategic partners for each other, we do not expect M3 to terminate the Amended and Restated License Agreement barring extraordinary or unforeseeable circumstances. The Gross Revenue generated from our clients for the use or purchase of MR-kun Services remained stable for the three years ended December 31, 2020 and was approximately RMB8.8 million, RMB9.9 million and RMB9.1 million, respectively, representing approximately 10.5%, 8.1% and 4.3% of our total revenue for the three years ended December 31, 2020, respectively. The slight decrease in the gross revenue generated from our clients for the use or purchase of MR-kun Services for the year ended December 31, 2020 compared to the year ended December 31, 2019 is attributable to the fact that as a result of COVID-19, certain clients have opted to utilize their digital marketing budget in 2020 for alternate types of digital marketing of our precision marketing solutions such as webinar and news feed, which carry shorter lead-times compared to MR-kun Services. Only the provision of precision digital detailing solution under the eMR (e信使) brand is considered to be services relating to MR-kun, or MR-kun Services. Digital marketing consulting and digital content creation services do not form part of the MR-kun Services. As such revenue amounts represent only a non-substantial percentage of our Group's total revenue during the Track Record Period, our Directors are of the view that there will be no material adverse impact on our Group's business operations if the Amended and Restated License Agreement is not renewed upon expiry.

Pricing policies and payment term

In consideration of the license granted and support and assistance provided pursuant to the Amended and Restated License Agreement, in respect of the MR-kun Services, our Company shall pay M3 a license and service fee which equals to ten percent (10%) of the Gross Revenue generated from clients of our Group that purchase or use the MR-kun Services (“**Clients**”).

“Gross Revenue” shall mean the total revenue our Group receives from Clients in any way directly or indirectly related to the MR-kun Services, excluding content production fee and operation fee, and excluding any discounts granted to Clients, unless otherwise agreed by the parties from time to time in writing. “Content production fee” shall mean the fee payable by the Clients to our Group in consideration of its digital contents development service for the relevant promotion campaign, and “operation fee” shall mean the fee payable by the Clients to our Group in consideration of its service for operating MR-kun portal directly for the Clients' project.

CONTINUING CONNECTED TRANSACTIONS

The license and service fees payable to M3 were determined on the basis of arm's length negotiations between the parties which are the same as the rates M3 charged its subsidiaries and the companies in which M3 has an equity interest for license and services and are in the best interests of our Company and our Shareholders as a whole. In particular, it is customary for license fee payable for know-how and/or other intellectual property rights to be determined with reference to the revenue generated using such know-how or intellectual property right. In determining the license and service fees, we have also taken into account (i) the exclusive nature of the arrangement, namely the license granted to us by M3 which allows us to provide MR-Kun Services on an exclusive basis within mainland China and (ii) as at the Latest Practicable Date, M3 only licenses its know-how related to MR-kun to companies in which M3 has an equity interest and the license fee charged by M3 to such companies (namely three subsidiaries in each of U.S., Korea and India and one company in which M3 has an equity interest in Russia) is at the rate of 10% of the gross revenue generated using the same MR-kun know-how.

Our Company shall pay to M3 the license and service fees that accrues during each calendar quarter commencing each January 1, April 1, July 1 and October 1, within thirty (30) calendar days after the end of the relevant calendar quarter.

Reasons for the transactions

As we continue to invest and upgrade our MR-kun Services, our Directors consider that the provision of license and services relating to MR-kun from M3 to our Group would benefit our Group, and the continuous update of insights by, and knowledge transfer from, M3 enable us to combine our local expertise and international best practices of M3 to improve the cost efficiency of our platform and thereby achieve sustainable and long-term profitability and operation synergies.

Historical amounts

The transaction amounts for the license and service provided by M3 under the License Agreement for each of the three years ended December 31, 2020 were approximately RMB0.88 million, RMB0.99 million and RMB0.91 million, respectively.

Annual caps

The license and service fees to be paid by us under the Amended and Restated License Agreement for the three years ending December 31, 2023 shall not exceed the proposed annual caps as set out in the table below:

CONTINUING CONNECTED TRANSACTIONS

	Proposed annual caps for the year ending December 31,		
	2021	2022	2023
	<i>(RMB million)</i>		
License and service fees payable by us . . .	2.00	2.60	3.38

Basis of caps

The above proposed annual caps for the license and service fees payable by us under the Amended and Restated License Agreement are determined with reference to the following factors:

- the historical transaction amounts for the license and service provided by M3 under the License Agreement and the historic level of demand of the MR-kun Services;
- the Company expects the transaction amount for the year ended December 31, 2021 to increase compared to the year ended December 31, 2020 based on the fact that (i) there is a 101% increase in revenue from MR-kun Services for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 and our Company expects similar growth of revenue from MR-kun Services for the remainder of 2021 and (ii) increased promotion from our Company for the use of MR-kun Services;
- the growth trend of our revenue for the three years ended December 31, 2020 and the expected projected growth of our business and our user base which leads to a corresponding increase in demand from Clients to purchase and use MR-kun Services. In particular, our revenue increased by 45.7% from 2018 to 2019 and by 75.6% from 2019 to 2020; and
- the expected 30% increase in demand for MR-kun Services for the years ending December 31, 2022 and December 31, 2023 due to (i) the expected growth of our revenue from precision marketing solutions, with the rapid development of our overall business and (ii) a higher recognition of our precision marketing solutions in the PRC market after our Listing, leading to an expected increase in demand for the use and purchase of MR-kun Services.

Listing Rules implications

In respect of the transactions under the Amended and Restated License Agreement, as the applicable percentage ratio in respect of the highest annual cap for the three years ending December 31, 2023 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon Listing, constitute

CONTINUING CONNECTED TRANSACTIONS

continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

(3) Precision Marketing and Corporate Solutions Services Framework Agreement

Principal terms

Our Company provides digital market research services and digital content creation and digital detailing services to M3 and/or its associates in the ordinary and usual course of business. Our Company has entered into a framework agreement with M3 on June 18, 2021 (“**Precision Marketing and Corporate Solutions Services Framework Agreement**”) to regulate our transactions with M3.

Digital market research services entail the provision of customized digital surveys targeted to a group of physicians selected on the basis of specialty, years in practice, practice setting and geography as requested by M3 and/or its associates. Digital content creation and digital detailing services entail the development of tailored sponsored information relating to prescription drugs and/or medical devices, in both text and multimedia formats, and delivery of such sponsored information to specific groups of physicians based on factors specified by M3 and/or its associates (such as specialties and locations) through multiple channels on the Group’s platform.

Certain service agreements with M3 and/or its associates are assimilated to the Precision Marketing and Corporate Solutions Services Framework Agreement as an implementation agreement thereunder. It is envisaged that from time to time, and as required, we may enter into implementation agreements to specify the service required by M3 and/or its associates for a particular instruction or order. Each implementation agreement will set out the details of the relevant service or product to be provided, including the precise scope of service or product specification and service fees calculation, in accordance with the principles set out in the Precision Marketing and Corporate Solutions Services Framework Agreement.

The Precision Marketing and Corporate Solutions Services Framework Agreement will become effective on the Listing Date and is valid for one year, and is renewable upon expiry for further terms of one (1) year by the parties entering into a renewal agreement no less than one month prior to the expiry. Any such renewal shall be subject to the applicable requirements under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Pricing policies and payment term

As a general principle, the service fee shall be determined on normal commercial terms, negotiated on arm's length basis, on similar basis as our Group conducts businesses with other independent third parties and shall be at rates no less favorable than rates at which we and/or our subsidiaries charge independent third parties for similar services. We will annually review the service fee charged to M3 with reference to similar transactions we entered into with other independent third parties which obtained comparable service.

More particularly, the service fee will be determined with reference to the fees we charge independent third parties for comparable services. In particular,

- (i) in the case of digital market research services, target physicians are categorized in accordance with their specialties, years in practice, practice setting and geographical location and different rates are assigned to the different categories of target physicians. The rates applicable to M3 under the Precision Marketing and Corporate Solutions Services Framework Agreement are the same as the rates we charge to independent third parties for similar services. We then (a) estimate the time to be incurred by the target physicians to complete such surveys and applied the applicable rates, and (b) estimate the time to be incurred by our Company and/or our subsidiaries to customize the electronic surveys and to match such surveys to target physicians, in order to determine the basic fee. We will add to such basic fee the prices for any optional services such as development of questionnaire, programming, development of reports where applicable and negotiate and adjust the final fee to reflect clients' specific needs on a case by case basis; and
- (ii) in the case of digital content creation and digital detailing services, (a) the content creation fee is determined with reference to the type of sponsored information to be developed and the estimated time to be incurred by us for such development. There is no fixed rate for content creation as the levels of complexity vary in each assignment. We determine the fee with reference to the fee we charge independent third parties for similar services; and (b) the digital detailing services fee is determined with reference to the method of and the channels in which the sponsored information is to be delivered, the number of target physicians to whom such sponsored information will be delivered and we charge on a cost-per-click basis plus a fee to reflect the estimated time that we will incur to manage the marketing campaign. The cost-per-click charge applicable to M3 under the Precision Marketing and Corporate Solutions Services Framework Agreement is the same as what we charge to independent third parties for similar

CONTINUING CONNECTED TRANSACTIONS

services. To the extent that optional services such as development of special systems and reports are required, we will charge additional fee to reflect such additional services and negotiate and adjust our final fee to reflect clients' specific needs on a case by case basis.

Reasons for the transactions

Our Company provides digital market research services and digital content creation and digital detailing services to our customers in the ordinary and usual course of business. Certain customers of M3 Group which have global budgets to obtain services from M3 Group may require digital market research services and digital content creation and digital detailing services in the PRC. In such cases, M3 Group obtains our digital market research services and digital content creation and digital detailing services on behalf of its customers. Such arrangement is mutually beneficial to M3 Group and our Group. With a single point of contact for the customers of M3 Group, it increases customer satisfaction with service offerings, while at the same time provides our Group with an additional opportunity to broaden our income source.

Historical transaction amounts

The transaction amounts for digital market research services and digital content creation and digital detailing services provided by us to M3 and/or its associates for each of the three years ended December 31, 2020 were approximately RMB2.91 million, RMB3.84 million and RMB3.69 million, respectively.

Annual caps

The service fees payable by M3 and/or its associates under the Precision Marketing and Corporate Solutions Services Framework Agreement for the two years ending December 31, 2022 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,	
	2021	2022
	<i>(RMB million)</i>	
Service fees payable by M3 and/or its associates	4.80	3.12

CONTINUING CONNECTED TRANSACTIONS

Basis of caps

The above proposed annual caps for the service fees payable by M3 and/or its associates under the Precision Marketing and Corporate Solutions Services Framework Agreement are determined with reference to the following factors:

- the historical transaction amounts for digital market research services and digital content creation and digital detailing services provided by us to M3 and/or its associates;
- the expected service fees to be paid by M3 and/or its associates for digital content creation and digital detailing services contracted in 2020 but expected to complete during the year ending December 31, 2021 of approximately RMB0.74 million;
- the growth trend of our revenue for the three years ended December 31, 2020. In particular, our revenue increased by 45.7% from 2018 to 2019 and by 75.6% from 2019 to 2020;
- the expected 30% increase in demand for digital market research services and digital content creation and digital detailing services due to (i) the expected increase in demand for digital market research services and digital content creation and digital detailing services from M3's clients in Europe as a result of the recovery of its economy and (ii) the expected increase in demand from overseas clients and increase in demand for qualitative research from M3 and/or its associates (which commands a higher fee compared to quantitative research) as a result of higher recognition of our digital market research services in the PRC market after our Listing; and
- a lower proposed cap for the year ending December 31, 2022, taking into account the fact that the term of the Precision Marketing and Corporate Solutions Services Framework Agreement is one year from the Listing Date and is expected to expire on July 15, 2022.

Listing Rules implications

In respect of the transactions under the Precision Marketing and Corporate Solutions Services Framework Agreement, as the applicable percentage ratio in respect of the highest annual cap for the two years ending December 31, 2022 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

WAIVERS GRANTED BY THE STOCK EXCHANGE

Application of waiver in respect of the Contractual Arrangements

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval

No change to the Contractual Arrangements (including with respect to any fees payable to the JinYE Tiancheng thereunder) will be made without the approval of our independent non-executive Directors.

(b) No change without independent Shareholders' approval

Save as described in paragraph (d) below, no change to the agreements governing the Contractual Arrangements will be made without the independent Shareholders' approval. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (e) below) will, however, continue to be applicable.

(c) Economic benefits flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's option (if and when so allowed under the applicable PRC laws) to acquire, all or part of the entire equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to JinYE

CONTINUING CONNECTED TRANSACTIONS

Tiancheng by the Consolidated Affiliated Entities under the Exclusive Operation Services Agreement, and (iii) our Group's right to control the management and operation of, as well as, in substance, all of the voting rights of the Consolidated Affiliated Entities.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced (i) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (ii) in relation to any existing, new or acquired wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish or acquire when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executive or substantial shareholders of any existing, new or acquired wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish or acquire will, upon renewal and/or reproduction of the Contractual Arrangements, however, be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

(e) Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an on-going basis as follows:

- The Contractual Arrangements in place during each financial reporting period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules.
- Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report and accounts for the relevant year that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by Yimaihutong to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our

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Group and Yimaihutong during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Company and our Shareholders as a whole.

- Our Company’s auditor will carry out review procedures annually on the transactions, pursuant to the Contractual Arrangements, and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements, and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of their equity interests which are not otherwise subsequently assigned or transferred to our Group.
- For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, the Consolidated Affiliated Entities will be treated as our Company’s subsidiaries, and at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their respective associates will be treated as connected persons of our Company (excluding, for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including, for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.
- The Consolidated Affiliated Entities will undertake that, for so long as the Shares are listed on the Stock Exchange, the Consolidated Affiliated Entities will provide our Group’s management and our Company’s auditor full access to their relevant records for the purpose of our Company’s auditor’s review of the connected transactions.

In addition, we have also applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.105 of the Listing Rules from strict compliance with (i) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated in any New Intergroup Agreements (as defined above), (ii) the requirement of setting an annual cap for the fees payable by/to any member of our Group to/from the Consolidated Affiliated Entities in any New Intergroup Agreements, and (iii) the requirement to limit the term of any New Intergroup Agreement to three years or less, for so long as Shares are listed on the Stock Exchange. The waiver is subject to the condition that the Contractual Arrangements subsist and that the Consolidated Affiliated Entities will continue to be treated as our Company’s subsidiaries, but their directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their associates will be treated as connected persons of our Company (excluding, for this purpose, our Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including, for this

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purpose, our Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules. We will comply with the applicable requirements under the Listing Rules, and will immediately inform the Stock Exchange if there are any changes to these continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

Application of waiver in respect of the Amended and Restated License Agreement and the Precision Marketing and Corporate Solutions Services Framework Agreement

In relation to the Amended and Restated License Agreement and the Precision Marketing and Corporate Solutions Services Framework Agreement, since the highest applicable percentage ratio is expected to be 0.1% or more but less than 5%, the transactions contemplated thereunder are exempt from the circular (including the opinion and recommendation from an independent financial adviser) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of these transactions, provided that, in respect of the Amended and Restated License Agreement, the aggregate transaction amounts for each of the three years ending December 31, 2023, and in respect of the Precision Marketing and Corporate Solutions Services Framework Agreement, the aggregate transaction amounts for each of the two years ending December 31, 2022, will not exceed the relevant proposed annual caps above. Apart from the announcement requirement for which waiver has been sought, our Company will comply with relevant requirements under Chapter 14A of the Listing Rules with respect to the Amended and Restated License Agreement and the Precision Marketing and Corporate Solutions Services Framework Agreement.

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CORPORATE GOVERNANCE MEASURES

In order to ensure that the terms under relevant agreements for the continuing connected transaction are fair and reasonable, and no less favorable to us than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms or better, we will adopt the following internal control procedures upon the Listing:

- our Board and various internal departments of our Company will be jointly responsible for evaluating the terms under relevant agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps;
- our Board and various internal departments of our Company will regularly monitor the fulfillment status and the transaction updates under the relevant agreements. In addition, the management of our Company will also regularly review the pricing policies of the relevant agreements; and
- our independent non-executive Directors and reporting accountants will conduct annual review of the continuing connected transactions under the agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms or better and in accordance with the pricing policy.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that:

- (a) the continuing connected transactions described above for which waivers are sought have been and will be entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better, are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (b) the proposed annual caps for such continuing connected transactions under each of the Amended and Restated License Agreement and the Precision Marketing and Corporate Solutions Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (c) it is justifiable and normal business practice for the Contractual Arrangements and the continuing connected transactions contemplated thereunder to be of a duration longer than three years.

CONTINUING CONNECTED TRANSACTIONS

CONFIRMATION FROM THE JOINT SPONSORS

Based on the relevant documentation and information provided by the Company, the representations and confirmations provided by the Company and the Directors to the Joint Sponsors, and the Joint Sponsors' participation in the due diligence and discussions with the management of the Company and the PRC Legal Adviser, the Joint Sponsors are of the view that the Contractual Arrangements are fundamental to the Group's legal structure and a part of its business operations.

Based on the documentation, information and data (including historical transaction amounts) provided by the Company, the representations and confirmations provided by the Company and the Directors to the Joint Sponsors, and participation in due diligence and discussions, the Joint Sponsors are of the view that:

- (a) the continuing connected transactions described above for which waivers are sought have been and will be entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better, are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (b) the proposed annual caps for such continuing connected transactions under each of the Amended and Restated License Agreement and the Precision Marketing and Corporate Solutions Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (c) it is justifiable and normal business practice for the Contractual Arrangements and the continuing connected transactions contemplated thereunder to be of a duration longer than three years.