
CONNECTED TRANSACTIONS

RELEVANT CONNECTED PERSONS

The table below sets forth the connected persons of our Company who conduct or will conduct connected transactions with our Group upon Listing and the nature of their connection with our Group:

Name	Connected Relationship
Mr. Wang	Mr. Wang is our Director and is therefore our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Mr. Huang	Mr. Huang is our Director and is therefore our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Mr. Liao	Mr. Liao is our Director and is therefore our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Mr. Zhuang	Mr. Zhuang is our Director and is therefore our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Feiyin	Feiyin is owned as to 41.10% by Mr. Huang and is therefore an associate of Mr. Huang and our connected person pursuant to Rule 14A.11(4) of the Listing Rules.
Weidong	Weidong is owned as to 41.10% by Mr. Huang and is therefore an associate of Mr. Huang and our connected person pursuant to Rule 14A.11(4) of the Listing Rules.
Jieyou	Jieyou is owned as to 48.61% by Mr. Zhuang and is therefore an associate of Mr. Zhuang and our connected person pursuant to Rule 14A.11(4) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Contractual Arrangements

A waiver application from (i) strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the fees payable to Feidong under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less, for so long as our Shares are listed on the Hong Kong Stock Exchange, has been submitted to and granted by the Hong Kong Stock Exchange subject to certain conditions. If any terms of the Contractual Arrangements are altered or if we enter into any new agreements with any connected persons (within the meaning of the Rules) in the future, we must comply with the relevant requirements under Chapter 14A of the Listing Rules and obtain a separate waiver from the Stock Exchange.

Background for the Contractual Arrangements

Our Group operates its webpage business in the PRC through a series of Contractual Arrangements entered into between our wholly-owned PRC subsidiary, Feidong, and the PRC Operational Entities and their respective registered shareholders. Through these Contractual Arrangements, we exercise effective control over the operations of the PRC Operational Entities. Please refer to the section headed "Contractual Arrangements" for details. The transactions contemplated under the Contractual Arrangements are continuing connected transactions and are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Principal Terms of the Transactions

The Contractual Arrangements comprise the following agreements: Exclusive Option Agreements, Exclusive Business Cooperation Agreements, Share Pledge Agreements and Powers of Attorney. Details of the continuing connected transactions (i.e. the transactions contemplated by the said agreements which constitute the Contractual Arrangements) entered into between the relevant connected persons and our Group are set out in the section headed "Contractual Arrangements."

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Reasons for this Application and the View of Our Directors on the Continuing Connected Transactions

Our Directors, including our Independent Non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group's business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole.

Our Directors also believe that our Group's structure whereby the financial results of the PRC Operational Entities are consolidated into our Group's financial statements as if it was our Group's wholly-owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administration costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

In addition, given the Contractual Arrangements were entered into prior to the Listing and have been disclosed in this prospectus, and potential investors of our Company will participate in the Global Offering on the basis of such disclosure, our Directors consider that compliance with the announcement and the independent Shareholders' approval requirements in respect thereof immediately after Listing would add unnecessary administrative costs to our Company.

To ensure sound and effective operation of our Group after the adoption of the Contractual Arrangements, the management of our Group plans to take the following measures:

- (a) as part of the internal control measures, major issues arising from implementation and performance of the Contractual Arrangements will be reviewed by the Board on a regular basis which will be no less frequent than on a quarterly basis. Our Board will determine, as part of its periodic review process, whether legal advisers and/or other professionals will need to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements;
- (b) matters relating to compliance and regulatory enquiries from governmental authorities, if any, will be discussed at such regular meetings which will be no less frequent than on a quarterly basis;
- (c) the relevant business units and operation divisions of our Group will report regularly, which will be no less frequent than on a monthly basis, to the senior management of our Company on the compliance and performance conditions under the Contractual Arrangements and other related matters; and
- (d) our Company shall comply with the conditions prescribed under the waiver given by the Hong Kong Stock Exchange in connection with the continuing connected transactions contemplated under the Contractual Arrangements.

Application for and Conditions of Waiver

In view of the above, we have applied to the Hong Kong Stock Exchange pursuant to Rule 14A.42(3) of the Listing Rules for, and the Hong Kong Stock Exchange has granted, a waiver from (i) strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the fees payable to Feidong under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less, for so long as our Shares are listed on the Hong Kong Stock Exchange subject to the following conditions:

- (a) *No Change without Independent Non-executive Directors' Approval:* No changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the Independent Non-executive Directors.

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- (b) *No Change without Independent Shareholders' Approval:* Save as described in paragraph (d) below, no changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of our Company's independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders, except for those described above, 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 PRC Operational Entities through: (i) our Group's potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in the PRC Operational Entities; (ii) the business structure under which the revenue generated by the PRC Operational Entities is substantially retained by Feidong (such that no annual caps shall be set on the amount of services fees payable to Feidong under the Exclusive Business Cooperation Agreement); and (iii) Feidong's right to control the management and operation of, as well as, in substance, all of the voting rights of the PRC Operational Entities.
- (d) *Renewal and Cloning:* On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and the PRC Operational Entities, on the other hand, that framework may be renewed and/or cloned upon the expiry of the existing arrangements or in relation to any existing or new 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 when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as described under the section headed "Contractual Arrangements." Such new wholly foreign-owned enterprise or operating company (including branch company) may be established by our Group for expansion into the market due to potential business growth. If and when the term of operation of the PRC Operational Entities as set out in its operating license comes to an end in future, our Group may also establish new companies as and when considered necessary. The directors, chief executive or substantial shareholders (as defined in the Listing Rules) of any existing or new 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 when justified by business expediency will, upon renewal and/or cloning of the Contractual Arrangements, however be treated as our Group's connected persons and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant laws, regulations and approvals of the PRC.
- (e) *Ongoing Reporting and Approvals:* our Group will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:
- (1) The Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules.
 - (2) 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, have been operated so that the revenue generated by the PRC Operational Entities has been substantially retained by Feidong; (ii) no dividends or other distributions have been made by the PRC Operational Entities 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 Group and the PRC Operational Entities

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

- (3) Our Company's auditors will carry out procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, at least ten Business Days before our Company bulk prints its annual report, reporting their findings whether 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 PRC Operational Entities to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.
- (4) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person," the PRC Operational Entities will be treated as our connected persons, and at the same time, the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the PRC Operational Entities and their respective associates will be treated as our Company's "connected persons" and transactions between these connected persons and our Group (including for this purpose the PRC Operational Entities) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.
- (5) The PRC Operational Entities will undertake that, for so long as the Shares are listed on the Hong Kong Stock Exchange, the PRC Operational Entities will provide our Group's management and our Company's auditors with full access to its relevant records for the purpose of procedures to be carried out by our Company's auditors' on the connected transactions.

Confirmation from the Joint Sponsors

The Joint Sponsors are of the view that the terms of the agreements constituting Contractual Arrangements and the transactions contemplated thereunder have been entered into in our ordinary and usual course of business, on normal commercial terms and are fair and reasonable and are in the interests of the Shareholders as a whole.